
THE FAR EAST COMES NEARER

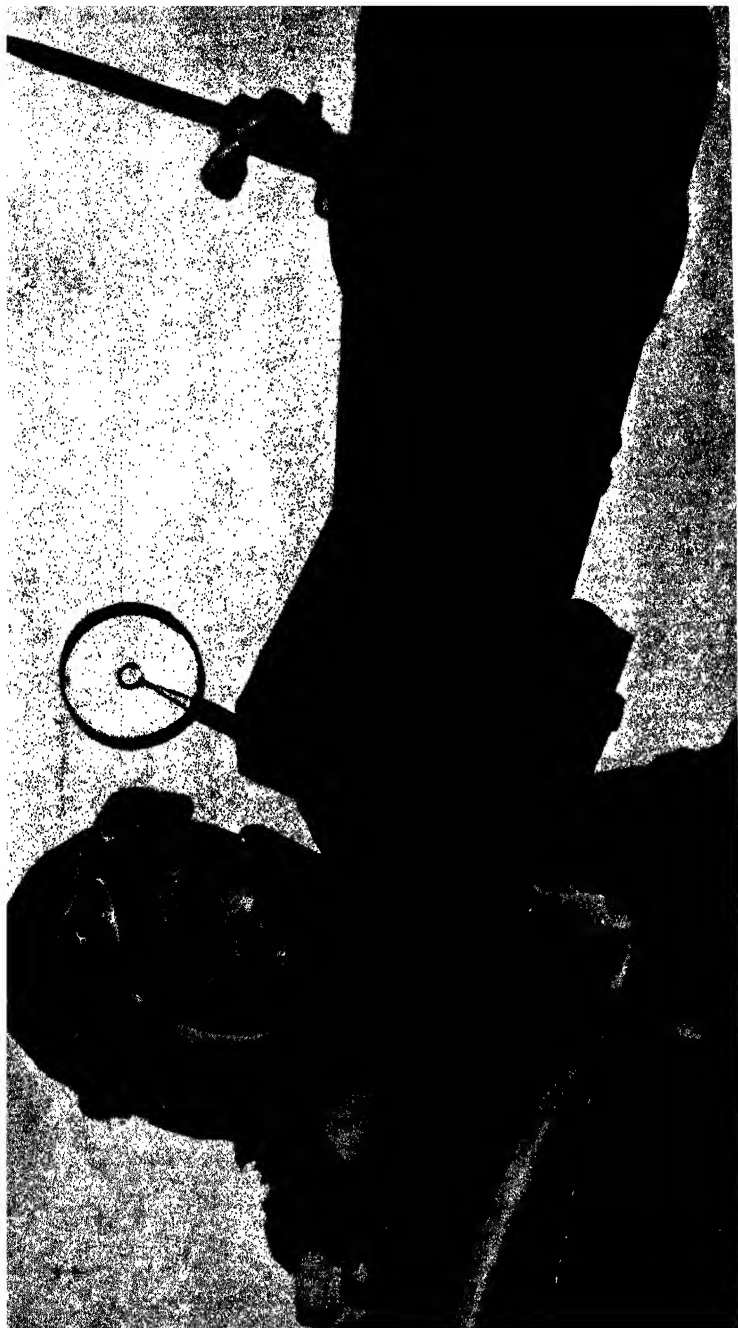
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THE FAR EAST COMES NEARER

by

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ILLUSTRATED

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FOREWORD

The Far East, "ultimate arena of history", is in transition. Japan is no longer an insular nation but a Continental Power. The seizure of nearly 1,000,000 square miles of Chinese territory in Manchuria, Mongolia, and North China by her armies has destroyed the *status quo* in Asia, and may well prove one of the major events in the history of our time.

Today Japan's frontiers march with those of Soviet Russia. Along the Ussuri and Amur Rivers, and across the Mongolian plains, unofficial "war" has been waged between Japanese-Manchukuo and Soviet-Mongolian forces for two years past, and the casualty-lists mount steadily.

Farther south Japan fights too, if with different weapons: diplomatically against a united China; commercially against the trade strongholds (if strongholds they still are) built up by British thrift and enterprise in the past.

Japan's new armaments programme is calculated to make her as powerful as Soviet Russia within six years. To every protest from the Powers her militarists, the real rulers of Japan, reply with the plea of "necessity", to every appeal for caution from Japanese moderates with assassination.

Scant attention has been paid in this country to the dangers inherent in the "New Deal" which Japan has thus presented to the world, dangers abundantly confirmed by the evidence which follows. War is not the least of the unpleasant possibilities—war between the Japanese Empire, genuinely mistrustful of Communism and all its works, and Soviet Russia's "Special Red Banner Far Eastern Army", the powerful military machine commanded by Marshal Bluecher which waits and watches along those troubled frontiers where "incidents" are an almost daily occurrence.

Such a war, in the present international situation, must

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undoubtedly overflow the boundaries of Asia, involving in it all Europe and Great Britain.

Even if such a catastrophe were averted, the introduction of "dynamic" politics in the powder-magazine of the Pacific is sufficiently grave to merit the earnest attention of all who have at heart this country's interests. Our diminished trade with China, our naval position in the Pacific, our colossal investments in China—all are placed in jeopardy by Japanese expansion and her advocacy of a "Monroe Doctrine" for Asia.

These are but a few of the grave issues examined in this survey of the Far Eastern arena today, containing the fruits of interviews with prominent authorities in all the countries concerned. The investigation could not have been so complete had it not been for the invaluable assistance given to me by many officials, journalists, and foreign residents throughout the East, and especially those with whom I sat at the "centre table" at the Imperial Hotel, Tokyo, during the exciting days of February 1936.

H. HESSELL TILTMAN.

*Tokyo—London,
September 1936*

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The Far East Comes Nearer

CHAPTER I

THE FAR EAST COMES NEARER

SIX years ago Great Britain could afford to be satisfied with conditions in the Far East. The Nine-Power Treaty guaranteed both the territorial *status quo* and the "Open Door" in China. The Naval Treaty of 1930 guaranteed that the size of Japan's navy should remain within reasonable limits. The Briand-Kellogg Pact guaranteed that no Great Power would employ war as an instrument of national policy.

The Republic of China, sprawling its vast bulk across central Asia, was disunited, rent by "Communism", banditry, and the dissensions of rival war lords, and in no position to challenge the ascendancy which British brains and capital had created for itself in that country. Soviet Russia in Asia, if not down and out, was quiescent and absorbed in the vast experiments proceeding in that laboratory of human beings.

Japan—Great Britain's god-child in the Far East—was in the city of London still referred to, almost with affection, as "the Britain of the East". Her delegates sat at the council table of the League of Nations at Geneva and usually voted with the British Empire. Her statesmen spoke soothingly of the bonds which united the two Island Kingdoms.

True, her industrialists were intensely annoying certain manufacturers of Lancashire by showing that Japan could lick the British at their own particular game in Asia, which was selling shirts to John Chinaman ; but everyone knew that the Japanese achieved this success only by grinding the

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noses of her workpeople. Lancashire consoled itself with the reflection that British noses never, never, never would be ground, and with the further reflection that Japanese goods were cheap and nasty, anyway. In addition they prayed diligently for the coming of tariffs to keep "Japanese muck" out of Empire markets, and for a keener appreciation in China of the virtue of "buying British".

True, again, the Japanese were exhibiting signs of growing impatience with a China that observed the old Chinese political axiom that "good government at home is less vital to the nation than successful intrigue abroad", and steadfastly refused Tokyo any redress for numerous violations of treaty rights (especially in Manchuria, where Japan enjoyed a highly privileged position by treaty) or to suppress the anti-Japanese trade boycott which had been responsible for thousands of tons of Japanese goods rotting in the warehouses of the Treaty-ports.

These things, however, did not trouble Britain, which had learnt in the past that it was a Good Thing if the Chinese are taught a lesson occasionally, and regarded it as a Better Thing Still if that lesson should be administered by the Japanese, whose soldiers and sailors imposed no burden upon the carefully pruned Service Estimates presented to the House of Commons each spring.

In a word, at the dawn of 1931 everything in the Pacific garden, if not exactly lovely—for British trade with the East was sagging rather alarmingly—was as pleasing to the Whitehall eye as could be expected at a time when the British lion was suffering from obesity, and not quite as lithe as he used to be. Britain, the "Great Conservator", was content.

Then some person or persons unknown let off a bomb on the South Manchurian railway line outside Mukden on a September night in 1931—and Britain's house of cards collapsed overnight. The Far East was transformed. "Basic principles", long cherished by Great Britain and the United States, such as the *status quo* in the Pacific (which phrase meant the perpetuation of the situation created by nineteenth-century imperialism, and Japan staying out in the cold), the "territorial integrity of China" (or as much of it as Great Britain, France, Japan, Russia, and Portugal

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had not already violated), and the "Open Door" for trade beloved of all United States citizens, went into the discard.

Within a few months the Japanese army, putting their long-maturing plans into operation with a speed and dispatch which no Western Power could have improved upon, had "acquired" a new Empire in Manchuria nearly half a million square miles in extent, thereby at a stroke doubling the area of the Japanese possessions and making the Amur River and Soviet Russia the frontier of Japan in Asia. Lest the Western Powers should still be in any doubt concerning the implications of the major "shift" of power which had occurred in Northern Asia, the Japanese militarists proceeded to blow Chapei, a suburb of Shanghai, off the map "to teach the Chinese"—and notify the foreigners in the International Settlement that Japan had "arrived".

Finally the Japanese High Command scored the biggest victory of all when that country's delegates at the League of Nations, having likened Japan to Jesus Christ, withdrew from active co-operation with other Powers as a protest against the League's action in trying to discover a settlement of the Manchurian "incident" which, while protecting Japan's legitimate interests in that area, would not violate her international obligations or upset the sacred *status quo*.

The repercussions of these events in Asia were immediate and startling. China, roused by the loss of the three Eastern Provinces forming Manchuria, and electrified by the defence of Chapei by the 19th Route Army (which showed that Chinese troops, given leadership, could fight), howled for war on the aggressor and declared that never would any patriotic Chinese sleep peacefully again until Manchuria had been restored to Chinese rule. Soviet Russia, having withdrawn skilfully from North Manchuria and having sold her interest in the Chinese Eastern Railway, began to concentrate a Far Eastern army, complete with all the panoply of modern warfare, along the borders of Manchuria and Mongolia. The American Secretary of State, Mr. Stimson, wrote a Note stating in effect that though Americans were not prepared to die to the last man in defence of the Manchus and the Chinese settlers of "Manchukuo", nevertheless the great republic of the

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West would under no circumstances recognize the "puppet State" which Japan had set up to administer the fruits of aggression.

At this point the British Foreign Office woke up from its beautiful dream of a peaceful Pacific, in which by the grace of God British interests and British trade would be safeguarded for all time, to discover that the Far East had come nearer. So near that events there, instead of being the concern only of a few industrialists, commercial houses, and the Hong Kong and Shanghai Banking Corporation, bid fair to influence profoundly not only British interests in China and the British sister-nations in the southern Pacific, but the whole political, strategic, and economic future of the Empire. In a word, when the little lithe khaki-clad warriors of Nippon swept across the Manchurian plains, and then proceeded to consolidate the "Empire" thus created by seizing Jehol, Inner Mongolia, and Hopei and Chahar, two northern Provinces of China, events in the Pacific arena ceased to be the exclusive concern of diplomats, and became of vital importance to Mr. Smith of Balham and Mr. McGregor of Aberdeen.

Up to that moment, Britain's special interests in the Far East had been the security of her possessions, including Singapore, Hong Kong, the British Concessions in China, and the Dominions of Australasia, the free flow of British trade to and from the Pacific unimpeded by restrictions imposed by other Powers, the maintenance of a territorial distribution which, thanks to the foresight of our ancestors and the men who fought Britain's wars in the nineteenth century, was peculiarly favourable to this country (and unfavourable to the Japanese), and, lastly, our friendship with the "Britain of the East". This last always assuming that Japan was not so ungrateful and ill-mannered as to bite the hand which had protected and nurtured her in infancy, provided her with a navy, taught her how to erect waterworks and build railways, and sold her the machinery which enabled her to outbid Lancashire in the world's markets.

That bomb explosion on the South Manchurian Railway on the night of September 18, 1931, was only a little one, but it blew the Far East as the world had known it out of

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existence, made obsolete every existing map of Asia, and established Japan as a great Continental Power, dominant in the new Asia which her armies then proceeded to create.

It also transformed British interests in the Far East. On the morning of September 19, when the British Consul-General at Mukden, Manchuria, reported that the Chinese authorities had been expelled from that city and Japanese troops were patrolling its streets, a new chapter opened in the history of the Pacific. From that moment Britain's interests in that area were :

(a) To save as much from the rape of China as possible, and to ensure that service in respect of Britain's loans to that country was maintained.

(b) To secure for Britain as large a percentage as possible of trade orders withheld from Japan by an outraged China.

(c) To secure an implied, if not expressed, alliance with the United States for joint action in the Pacific should the policy of masterly inactivity have to be abandoned.

(d) To thwart, if it be possible, the Japanese aim to "side-track" Shanghai and its Anglo-American trade by encirclement without, or, alternately, secure a larger share of it for Japan by infiltration within the Municipality.

And :

(e) In view of unpleasant eventualities, should developments expose the incompatibility of the aims pursued by the two Powers, to speed up the construction of the Singapore Base and to strengthen the fortifications and garrison of that vital outpost in the East, standing on guard over our position in China and our Australasian Dominions alike.

Science, in the shape of the aeroplane, has brought the Far East within five days of London by Dutch air liner. It takes but six days to travel from Manila, in the Philippines, to San Francisco by the American "Clipper" service linking those two cities.

Even science, however, has lagged behind the achievements of the Japanese army, and of the troops of Marshal Bluecher, Soviet Commander in the Far East, which glare at the Nipponese forces along the Mongolian-Manchukuo frontiers. "Peace", declared Litvinoff, "is indivisible." Maybe the Soviet Foreign Commissar was thinking of Asia

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when he made that remark. For today, as I shall show, the peace of Asia is insolubly linked with the peace of Europe ; it is so highly doubtful whether any war in that area, following the seizure of Manchuria and a large area of North China by the Japanese, could be localized, that no experienced newspaper correspondent "on the spot" is prepared to regard such a miracle as possible. Which is where Mr. Smith of London and Mr. McGregor of Aberdeen come into the picture. One day, unless the world is careful, they and millions of hard-working British and French citizens who never heard of Kharborovsk or Hsinking, Nagasaki or Urga, may be getting into uniform and marching off to a new European war because someone unknown got excited in far Asia and let off a rifle once too often !

Because of this fact, of those five British interests in the Far Eastern area, three are vital to our national security. It is in the highest degree unlikely that Britain would ever resort to arms in defence of our total trade with China, both inwards and outwards, of £1,000,000 a month—a mere fragment of our once flourishing commerce with that country, and less important, commercially speaking, than our Empire exports to Japan. Similarly, it is not impossible, as events are shaping, that Britain and the United States together will have to watch the slow strangulation of their immense banking, financial, and business interests centred on the city of Shanghai as the alternative to enforcing their "rights" by force of arms.

These developments, unpleasant and harmful to British prestige in the Far East, may or may not have to be endured in the near future. But beyond that point Britain dare not scuttle out of the Pacific without leaving Australasia, Hong Kong, and all the British island possessions in the southern Pacific Ocean—not to mention Malaya, Singapore, Borneo, and the Dutch East Indies—at the mercy of the new Overlord of Asia who sits, with as many heads as there are Generals and Admirals upon the Japanese General Staff, in the Ministries of War and Marine at Tokyo. In the unknown extent of the ambitions and aims of those Generals and Admirals of Nippon lies the grave threat to the peace of the world, which has, when all (and it is a great deal) ha



SUPREME COMMANDER OF THE JAPANESE FORCES

The 124th Divinely-descended Emperor of Japan leads a parade of senior army officers during a recent military review



"HIGH SPOT" OF THE ORIENT
Lake

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been said in support of Japan's case, precipitated the Far Eastern "front" into the limelight.

Since 1931 Japan has been committed, with the enthusiastic support of the bulk of her people, to a policy of expansion which is avowedly aimed at establishing Nippon as the supreme Power in Northern Asia and the waters adjacent to her coasts.

"Japan," said Mr. Kuwashima, Director of the East Asia Bureau of the Japanese Foreign Office in a recent speech, "must no longer pursue a policy suited to an insular Power. She now regards herself as a Continental Power."

In pursuit of that aim, the Japanese General Staff has already run grave risks of international complications, and has stated bluntly that it does not shrink from the prospect of a second Russo-Japanese war. Indeed, the inflated armament plan announced by the Japanese Government in the spring of 1936 is "explained" by the possibility of such a conflict materializing.

The dangers of the situation thus created, so far as this country is concerned, stand forth sharply defined.

In the first place, there is the danger of complications between Britain and Japan in China through the undermining of British interests in that area by Japan, and the presence of British property, and British citizens, within the area of Japanese ambitions.

Britain having permitted an increase in Japanese exports to Manchuria of from 37 per cent of that area's total foreign trade in 1930 to 65 per cent in 1934 to pass without protest, it may be assumed, as already indicated, that this country will never attempt to enforce the principle of the "Open Door" by any action stronger than polite representations to Tokyo.

But what of other British interests in China, typified by that imposing white stone pile which dominates Hong Kong from the harbour—the head office of the Hong Kong and Shanghai Banking Corporation, headquarters of British trade and prestige in the Far East? What of Britain's declining trade with what is left of China, amounting in exports to £20,000,000 in 1924 and only £9,000,000 in 1934? Or the £63,000,000 of capital represented by foreign property and interests in the International Settlement at

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Shanghai alone? And what of the £35,000,000 owing to British investors in those Chinese government and railway loans, capital and interest of which have been jeopardized by recent Japanese actions—notably by the organized smuggling of Japanese goods into China via the so-called “autonomous governments” of Hopei without payment of the customs duties on which the service of these loans depend? Is Britain prepared, in the event of Japan succeeding in stage-managing a widespread “breakaway” movement from Nanking, to see investments totalling 200 millions sterling, the result of past enterprise and thrift and far more important to this country than the present trickle of trade, placed in jeopardy by the advancing Japanese troops?

Again, are the interests of the 13,000 British citizens resident in China, representing over 1000 different firms, and the 424 British residents in “Manchukuo”, to remain the concern of the British Foreign Office? One must assume so, in which case there is danger that some over-zealous Japanese junior officer may precipitate a crisis.

Because the Japanese extend every courtesy, and the greatest hospitality, to British visitors to Japan, it has been assumed that under no circumstances would our erstwhile Allies in the East show hostility to British citizens living in the areas of China affected by recent events. I can assure those who think thus that however sentimental the Japanese may be in Japan, where most townspeople speak our language and entertain feelings of genuine friendship towards this country, that sentiment evaporates during the crossing of the Sea of Japan.

Several incidents have occurred in Northern China recently which lend support to the statement that Britain, because of the prominent part which her nationals play in Chinese affairs, occupies a more exposed position than any other foreign Power. Thus when a Chinese revenue warship, engaged in putting down smuggling, fired upon a Japanese steamer off the coast of China early in 1936, special protection had to be afforded to the British-born Inspector of Customs to protect that Chinese official from the fury of Japanese vengeance.

Again, there was the case of Mr. Hussien, a British

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Indian subject, who, with his wife, was arrested by the authorities in Manchuria and subjected to torture. On that occasion the British Government lodged strong protests not with the Government of "Manchukuo", but with Tokyo. And the agitation against British methods of justice raised by the Japanese in North China following the exoneration of British soldiers alleged to have been concerned in the assault which resulted in the death of a Japanese officer named Sasaki at Peiping was so furious that the British Ambassador at Tokyo protested strongly against the attitude of the Japanese officials. On that occasion resolutions were passed at mass meetings of Japanese residents at Peiping declaring that "Japanese lives were no longer safe following the decision of the British Court".

"The resolutions", stated *The Times* (July 7, 1936), "appear to have been framed with the object of fanning feeling against the British Embassy guard, but the British authorities are expected to ignore the agitation." It does not require too much imagination, however, to visualize the dangers of such an "incident" at a time when Peiping had virtually passed from the control of the Chinese Central Government into the keeping of the Japanese army, and parades of Japanese tanks (photographs forbidden by order of the Japanese army!) were taking place through the streets of the old capital of Imperial China. Extra-territoriality—the system of British subjects being answerable to British, and not Chinese, law when resident in that country—is one thing while the Central Government remains in control of the areas concerned. It is quite another when the rights thus acquired by British subjects have to be enforced in provinces dominated by the triumphant armies of a foreign Power—and that Power determined to assume leadership in Asia.

It is inevitable that "rights" acquired by the British in China should be placed in jeopardy at a time when a large area of that country has been plunged into the melting-pot of dramatic events, and that the danger of "incidents" which might compel the British Government to strong action should not be entirely absent. The British citizens who reside in China, and own property and trade there, have gone to that country protected by legitimate treaties

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between China and Great Britain. They have, many of them, devoted their lives to the furtherance of British trading and financial interests between the two countries, with the assurance—promptly honoured at Shanghai in 1927 and again in 1932—that in the event of their property or lives being endangered, they would be afforded protection. The British Government, however much it may or may not sympathize with the soaring aspirations of Japan, cannot abandon its subjects to the tender mercies of a foreign Power bent upon empire-building in a hurry and, some declare, upon “freezing out” Western interests in Northern Asia.

The second element of danger to Britain in the new situation arises out of the general strategic position revealed by recent events. Until recently the only possible adversary confronting a Britain fortified by an alliance with Japan, and enjoying the friendship of the United States, visible upon the Pacific horizon was the minor threat of anti-foreign sentiment in China itself, a threat which, if it materialized, could be dealt with satisfactorily by one or two warships, as many battalions of infantry, and a wide-awake Ambassador. With the abrogation of the Anglo-Japanese Alliance—a diplomatic step which Japan assumed to presage closer unity between Britain and the United States in the Pacific and concerning which a certain soreness is still felt at Tokyo—the situation was profoundly changed.

How near Britain has come to the potential firing-line in Asia depends upon opinions concerning Japanese aims on the mainland.

One may accept the interpretation of events in North China expressed to me by a high official of the Foreign Office at Tokyo who said, “In order to usher in a period of peace between China and Japan, to secure stability and prosperity in that area, and to improve the general standard of life of the people, there was no alternative open to the Chinese except to shake hands with Japan. If it was impossible, because of old rivalries, for the whole of China to do so at the present stage of events, at least North China could do so independently. Such a view naturally gathered more and more impetus in the Northern Provinces, and constituted the main factor in the rise of the autonomy

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movement in that region. Those are the facts; to talk about Japanese aggression in North China is rubbish."

Or, again, one may prefer to listen to the blunter words of Maj.-General Kenji Doihara, the so-called "Lawrence of Asia" and Japan's No. 1 Negotiator in North China.

"The thing North China must do is to create the sort of civilization Nippon has created for herself and which is being evolved in Manchukuo at present," declared General Doihara, as reported elsewhere in these pages. "It consists of the blending of the Eastern and Western civilizations into one which is entirely Asiatic and peculiarly suitable to the peoples of Asia. All China must eventually accept this viewpoint, and the movement would be fostered throughout Asia, and eventually might be expected to spread to Indo-China, India, and elsewhere."

In other words, General Doihara sees in his dreams an Asia scarcely distinguishable from the paradise visualized by the Pan-Asia Union—with Japan, as the natural leader of the yellow races, in control.

Whichever view of coming events is accepted—and it may be pointed out that General Doihara represents the opinions of the Japanese army and was the man who "discovered" the autonomy movement which tore the two provinces of Hopei and Chahar from the control of Nanking—it is clear that the establishment of a large and ever-growing Japanese Empire on the mainland, coupled with the Japanese withdrawal from the Naval Conference of 1936, have profoundly modified the whole strategic position of the Northern Pacific.

The precise reactions of Whitehall to these events is difficult to gauge. I heard it said by many, in "Manchukuo", Mongolia, and China, that Britain is "backing" Soviet Russia in the Far East. The mere suggestion of such heresy, on the other hand, was—according to others—sufficient to rally both pro-Japanese and anti-Bolshevik opinion in the city of London on the side of Japan. The one fact that is undeniable is that Britain had hastily to review her strategic position in China and the seas bordering that country. Those police barracks at Singapore, constructed to withstand a siege, and the great new prison, so large that innocent visitors ask where all the prisoners are coming from to fill

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it, would, it is safe to say, never have been constructed had Japan remained a member of the League of Nations and continued to honour the terms of the Nine-Power Treaty and the Briand-Kellogg Pact against War.

It is doubtful, to say the least, whether the British and American position at Shanghai could be maintained if the Japanese forces were to penetrate farther south and carry out a "flanking" movement designed to cut off the International Settlement from the sources of its trade, and thus starve it out. In the opinion of some military experts, even Hong Kong is vulnerable to attack, and would have to be evacuated, thus leaving Japan in possession of the whole of central Asia, unchallenged except by the troops of Soviet Russia—an important exception.

Singapore, the "Gibraltar of the East", is the keystone of British power in the Pacific, and the main objective of Japanese espionage. There has been more spying to the square mile in the interests of Nippon in British Malaya during the past five years than in any other region in Asia.

Every village in Malaya, however small, has its photographer's shop. And the proprietor is always a Japanese! The Japanese knew the location of the site of the new naval base before that fact was known in Singapore itself! Again and again, information of a confidential nature has travelled from Singapore to Japan through unknown channels.

The British authorities have been silent about much of this campaign of espionage, but evidence of its existence could not be entirely suppressed. There was the strange case of Mr. Nishimura, the respected leader of the Japanese community at Singapore. This gentleman, invited by the Commissioner of Police to call at the police headquarters, duly presented himself—and fell dead from self-administered poison before he could be interrogated over a little matter of two Japanese visitors who had left their passports with him for safe keeping.

And there have been other equally dramatic incidents. It is unnecessary to view them too seriously. All nations strive to keep *au fait* with developments over the other fellow's fence—especially such developments as may affect themselves—and Japan, if in fact she has endeavoured to

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keep well informed concerning the growing naval, military, and air strength of the Singapore defences, would only have been following in the footsteps of other Great Powers. She might retort to such a charge, with truth, that espionage is not an unknown crime in Japan itself; certainly the Japanese authorities show such extreme nervousness concerning the most innocent curiosity on the part of visitors to that country that instructions had to be issued, in 1936, to provincial authorities not to frighten foreign tourists by dogging their footsteps.

The naval and military authorities at Singapore have suffered more from "spy-mania" than the air arm. The attitude of Air-Commodore Sir Sydney Smith and his advisers, so far as I was able to judge, was that other interested Powers probably knew a good deal more concerning the defences of Singapore than the British authorities imagine, and that as the Base remained impregnable to attack by sea or air despite that fact, it didn't matter anyway. And aerial manoeuvres carried out in the vicinity of Singapore island have provided abundant justification for the soundness of the second conclusion. The "Clapham Junction of the East" is, indeed, ideally situated for the purposes of defence, and it is difficult to imagine an attacking force, from whatever direction, succeeding in approaching within striking distance of the main fortifications without being intercepted and driven off.

Equally important, viewed from the standpoint of British action in the Pacific area, any enemy force approaching the coasts of Australasia could be outflanked by naval and air units based on Singapore and cut off from their home base, assuming that base to be situated in the eastern or northern Pacific Ocean.

In this connection, it may be added that, in the view of the British authorities, Singapore is in no sense an offensive weapon. Its purpose is strictly defensive—to permit a British fleet to operate in that ocean in defence of British interests if these should ever be threatened from any quarter. Its importance, in a sentence, lies in the fact that prior to the construction of the Base, the British Navy was almost, if not quite, impotent to undertake large-scale action within that ocean, whereas today its striking power in an

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area 9000 miles from Britain has been immensely increased—and will be increased still further when the “new British Navy” envisaged by Sir Samuel Hoare in a speech delivered in July 1936 becomes a fact. Thus Singapore Base must be numbered among the developments which have brought the Far East nearer to our shores, while the millions poured out in its construction constitute a warning to whom it may concern that Britain is not prepared to allow her interests there to go by default.

More important even than the strategic position, as transformed by recent events, however, are the long-range possibilities opened up by the recent actions of Japan. And it is to this aspect of the dangers inherent in the present Far Eastern situation that British public opinion would be well advised to devote some thought. In no other respect is the situation which will be outlined in the following chapters so menacing both to the maintenance of international peace and the security and prosperity of the British people as a whole.

Oriental diplomats and statesmen are exceedingly shy of admitting facts, but sometimes the facts speak for themselves. And one fact about which there can be no doubt whatever is that if Nazi Germany were to launch an attack upon Soviet Russia, France and her allies of the Little Entente—Czechoslovakia, Yugoslavia, and Rumania—would take up arms in her defence. It is equally obvious that if Nazi Germany, in accordance with a pre-arranged understanding with the Japanese Empire, attacked Russia simultaneously with a Japanese attack in the Far East, the result would be a world war in which it would be exceedingly improbable that Britain could maintain neutrality. And it is precisely when one comes to consider such an eventuality that the Far East comes very near indeed: so near that decisions made by the Japanese High Command threaten the prosperity, homes, employment, and very lives of millions of peaceful British men and women.

I do not say that such a catastrophe is being deliberately planned by the Japanese militarists. But I do say, and many expert spectators of the Far Eastern drama in China and Japan agree, that the risk of such a catastrophe will not be removed until the relations between Japan and Soviet

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Russia are immensely improved, and a non-aggression treaty concluded between the two nations.

It is extremely difficult to discover the truth concerning the rumoured "military pact" between Germany and Japan—a pact which, if it exists, could only be aimed at Soviet Russia, the *bête noir* of those countries. Both the Wilhelmstrasse and the Foreign Office at Tokyo have given me categorical denials that any such "alliance", expressed or implied, exists in any shape or form.

On the other hand, General Tada, former Japanese Commander in North China, asked how far, in the event of war with Russia, Japan could rely upon the co-operation of Germany's armed might, replied, "To the limit," and well-informed sources on the spot have explained away the frequent denials of any understanding between the two Governments by stating that the agreement for joint military action against Russia was concluded not between the German and Japanese Governments but between the Nazi Party in Germany, on the one hand, and the Japanese High Command, responsible only to the Japanese Emperor and not to the Imperial Diet or the civilian Cabinet in Tokyo, on the other.

In favour of this explanation is the further fact that, as I shall reveal, unless the Japanese military authorities have some idea that allies would come to their aid in the event of a conflict breaking out, the present policy of Japan in "baiting" an immensely more powerful Russia along the frontiers of Manchukuo and Mongolia would qualify the Japanese Generals for admission to the nearest asylum.

Whether such an "understanding" between National Socialist Germany and Nationalist Japan does or does not exist; whether one accepts the denial given to me by the official spokesman of the Foreign Office at Tokyo (quoted in a later chapter) at its face value or not, the danger which faces not only Asia but Europe from the present situation in Northern Asia remains. For it is not difficult, in the light of the political situation in the West, to imagine the temptation which would be endured by Herr Hitler to launch an attack upon the hated Communist land were Russia to become heavily engaged with the Japanese forces in the East.

It is not even necessary to imply any desire for war on

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the part of the Japanese or German Governments for such an explosion to take place. I do not believe that the Japanese General Staff wish to indulge in any "shooting practice" at the expense of Russia ; like Germany, they desire to gain their objectives by rattling the sabre rather than drawing it. The fact that they are absolutely convinced of the justice of their civilizing mission in Asia, and unable to discern any security against Communism except by maintaining a *cordon sanitaire* of "puppet States", leaning on Japanese bayonets, hemming the Russians into the lands they at present hold in the East, strengthens rather than weakens their will to peace. The Japanese army, in their own eyes, are engaged in a vast job of policing Asia in the interests of its inhabitants, and they are perfectly genuine in their belief that in so doing they are acting in the best interests not only of that Continent but of the whole world.

Good intentions have created most of the world's battlefields, however, and may count for little if one fine morning Ivan Ivanovitch, of the Far Eastern army of Soviet Russia, patrolling along the frontier of Manchukuo or Outer Mongolia with a group of his comrades, meets a mixed force of Japanese and Manchukuo troops spying out the land three or four miles within Outer Mongolian (which means Soviet) territory, and in the excitement of the moment someone fires a shot.

A good many rifles, and aerial bombs too, have already been loosed off along that troubled frontier without serious harm resulting. But any day, as long as the present tension continues, some incident may fire the whole powder-magazine piled up on those remote plains and valleys by two of the strongest military Powers on earth. And if it does——?

Ivan Ivanovitch may be only an illiterate Russian peasant who formerly eked out a precarious living on his little farm somewhere in Siberia. Or perhaps on one of the new "collectives" established under Communism. If he were killed by a Japanese bullet it surely would not matter very much to the world—to Britain ? Have not millions of humble Russians died sad deaths in the past twenty years ? True. But if Ivan Ivanovitch were slain by Japanese troops inside the Outer Mongolian frontier two things might make his death echo round the world. The first is that Josef Stalin,

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the Communist "Tsar", has sworn that Russia will defend that frontier to the last man. The other is that if Ivan Ivanovitch is personally of no importance, the uniform which he wears is very important indeed. For it is the uniform of a trooper of Marshal Bluecher's Far Eastern army which was recruited, trained, disciplined, armed, and established for no other reason except to force the little Nipponese soldiers to keep to their own side of the fence. A thousand Ivanovitches might be slain in frontier affrays without any explosion occurring; many have. Then one day, any day, one rifle too many might be fired—on either side—and the Four Horsemen would ride again.

It is only at this point that the true importance of Ivan Ivanovitch would become manifest to the world. For if, while his comrades sought to avenge his death in remote Asia, a region which few Britons have visited and few worry about, some other Power such as Germany were to seize the opportunity of settling old scores, real or imagined, against Russia back in Europe, then Jean Jacques of Paris and a few millions of Frenchmen, as the sworn allies of Ivan Ivanovitch, would have to leave work, hasten into their uniforms, and report at their army depots ready for the next war to end war.

Nor would the echoes of that shot on the Mongolian frontier end there. Just as France is pledged in the event of an attack upon Russia in Europe to go to her aid, so the allies of France must march also. Which would carry the torch of war through Central and Eastern Europe.

Germany, naturally, would not regard the resultant war as anything to do with Ivan Ivanovitch or Outer Mongolia, or Japanese ambitions in Asia. To Berlin and Tokyo alike it would be a war against the Communist "menace", and it is probable that certain elements in Britain would on first thoughts be inclined to welcome a German-Japanese victory, paving the way to the emergence of a moderate democratic régime in Russia. But only on first thoughts, for victory over Russia would mean victory over France, Belgium, Czechoslovakia, and the States of the Little Entente as well. It would mean that Britain, even if she could keep out, would have to face the risk of Germany winning and seizing the Channel ports, which are a "vital

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British interest". It might well mean the blotting out of Belgium for the second time in living memory. Such a victory would certainly mean a Japan dominant and impregnable in the Far East, and a Fascist bloc, probably including Italy, dominant and impregnable in Europe. And both groups of militarists, East and West, facing a British Empire which owns some of the most delectable spots on earth and for the first time in history isolated and friendless apart from problematical succour from the United States.

Faced with these reflections, all but a tiny minority of anti-Reds in this country would cheer when the Government announced that, in view of Germany's unprovoked attack upon Soviet Russia, and her subsequent aggression against Belgium and France, the British Government and the Governments of the Dominions had no alternative but to declare that a state of war exists between the British Empire and Germany.

At that point, if not before, the British people would learn from their newspapers, as they queued up at the recruiting offices, of the vital importance to Great Britain of the situation at present existing in Eastern Asia. And wonder idly why something was not done about it.

It is doubtful, however, whether any of those who would be concerned in the resultant events would ever hear of Ivan Ivanovitch, the unimportant trooper in Russia's Far Eastern army whose murder on a lonely frontier 10,000 miles from London caused all the trouble.

Ivan Ivanovitch, having made history, would by that time be not only dead and buried, but forgotten.

CHAPTER II

OVERLORD OF ASIA

IN 1931 Japan became the Overlord of Asia, and the Western world bowed to her new status by allowing the Japanese to carve half a million square miles from the body of China without any opposition more serious than pious resolutions passed by the League at Geneva.

Having "got away with it" in their first spectacular trial of strength with the white nations, acting in concert, which had occurred since the Sino-Japanese war, the disciplined battalions of the Rising Sun marched on—to Shanhaikwan, Tientsin, and Peiping.

The fact that Japan was approaching the point at which that nation would feel strong enough to reshape Eastern Asia according to its own pattern might have been observed earlier had the West been more observant.

The Japanese, like most new nations, are intensely sensitive over matters of national prestige. They are proud of their country and its progress. And when, some years ago, orders were suddenly issued from Tokyo recalling to Japan thousands of prostitutes of that nationality to be found in the brothels of Asia, old-timers in the Far East remarked that "something had happened". It had. Japan had decided that, in view of her imminent emergence as the Overlord of Asia, her prestige had suffered long enough by the fact that Japanese women could be bought for a few Straits or Shanghai dollars. Let other women—Chinese, White Russians, and the rest—cater for that "trade"; Imperial Japan would no longer furnish the raw material for the oldest profession in the world. In which decision Japan was wise. One can scarcely pose as the leader of Asia if any Chinese coolie can buy Japanese women for a handful of cents. In Japan itself, in such licensed quarters as Yoshiwara, Shinjuku, or Tamanoi in Tokyo, or Hommoku in Yokohama, it

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was different. There the "customers" were either Japanese or Europeans.

The Western world, still prone to think of Japanese as "yellow men", has been less than generous in assessing the claims of that nation to a place in the sun. Had Japan been a white race, other Powers would not have been so indifferent to her vital needs. Had she possessed a Mussolini or a Hitler, in what ringing terms would the "injustice" of the existing distribution of territory and resources in the Pacific area been shrieked from the housetops. Japan, arriving late on the international scene, exercised exemplary patience while both her population and her resources grew. Then, on some day unknown in the nineteen-twenties, her leaders faced the dilemma expressed in the words "expand or burst"—and the preparations to change the map of Asia began.

The fact that the first blow was struck by the military forces may suggest "camp government" to the West; to Japan, where the army is the custodian of external interests and the repository of national ideals, it was natural. Japan urgently needed fresh supplies of raw materials, food, and land under her own control. That nation was the greatest civilizing force in Asia. She was ready to accept her Imperial destiny. That being the case, the army waited no longer. Some 30,000 little Nipponese soldiers seized the Overlordship of Asia while the world, via Geneva, protested that that sort of thing wasn't cricket.

Japan replied that for the Chinese deliberately to seek to undermine her privileged position in Manchuria, securing by the shedding of Japanese blood in two wars and the pouring out of Japanese capital to the tune of 300,000,000 yen for factory development alone, wasn't cricket either; she added, with some semblance of truth, that had British or American interests of similar extent been in jeopardy, an expeditionary force would have been despatched to the scene before a list of three hundred unsatisfied grievances had piled up. And without waiting for the world to reply, she set about the task of turning the three Eastern Provinces of China, sunk deep in poverty and banditry as the result of Chang Hseuh-liang's misrule, into a progressive State, thereby taking upon her shoulders an irridentist problem,

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in the shape of 30,000,000 Chinese, which would have dismayed any Power less sure of her Divine destiny.

When, in the face of every Japanese explanation, the white nations continued to talk about "international brigandage", the Japanese were first pained, and then furious. Although the Japanese army had struck in Manchuria without consulting with the Government at Tokyo, long before the end of that incident the army had the solid enthusiastic support of every man, woman, and child in Japan. To the Japanese, the conquest of Manchuria was a crusade, a solemn duty laid upon their shoulders by history to extend the beneficent civilization of Nippon to poor benighted Chinese who had been oppressed and misgoverned for generations. If the world continued to deny to Japan her right to assume the "yellow man's burden", that showed the world to be insincere. The ring fence which had cooped up the Japanese race on a collection of small islands for generations was down! And the Japanese army poured through the gap into the Promised Land.

No events in her national history have won such instant and wholehearted approval in Japan as the decisions to overthrow the hated *status quo* which kept Asia safe for "white" exploitation, and to withdraw from international commitments which cramped her style in applying her own solution to the manifold and peculiar problems of Asia. Japan wants to be reasonable. She is prepared to admit and accept almost anything—except the suggestion that the ills of Asia, its squalor, disunity, poverty, filth, and mismanagement can be cured by Geneva methods. "Which knows China best," she asks—"Spain, Czechoslovakia, and Great Britain at Geneva, or we Japanese, just across the road? And which suffers most, in national security, and trade, from the backwardness and poverty of that country—the League or Japan?"

And she points out, further, that the only argument which the Chinese recognize is force. For centuries the Chinese had employed in their dealings with the outside world the celebrated principle of "*I i chih i*"—"using barbarians to control the barbarians", or pitting one nation against another. Well, in future, in her relations with Japan, China would find herself up against the one Asiatic

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Power which had put her own house in order and knew her own mind.

No one conversant with the recent relations between the two nations can doubt the efficacy of the method thus employed despite the very different concepts of European diplomacy. Whether Japan is morally justified in seeking to impose her particular brand of material civilization upon whole areas of China by force, or in upsetting the balance of power in Asia by unilateral action, is something which Tokyo is content to leave Mussolini to answer in a different connection. Japan made her decision. The die was cast. And the world's map-makers made a note that new maps of Asia would shortly be needed.

Behind that decision, and urging Japan to action, were strong elemental forces which no nation could safely ignore. Japan was more heavily populated than any other country on earth except China. She was short of raw materials, of land, of food. She was disturbed about her strategic position and distrustful of the intentions of Soviet Russia. The idea of waking up one morning to find China's millions united under Russian leadership was a constant nightmare, in which she saw the destruction of all that Japan had worked for, and fought for, during the last eighty years. She was, moreover, profoundly aware of her national destiny to be the dominant Pacific Power and the Overlord of Asia—the first great non-white civilizing Power on earth. And she did not intend to allow the opportunity to slip through her fingers.

Japan has every right to take this view. Her needs are pressing. The evidence that she is, next to Britain and the United States, the greatest civilizing force of the modern world is there for all to see in the new Tokyo, one of the finest cities in the world, and in the amazing feat of Westernization accomplished in the course of a few decades. In cities, railways, roads, justice, education, literature, industrial strength, armaments, sport or culture—whatever standard of comparison is applied, modern Japan is fit to rank beside Britain herself. If a high judicial standard—drainage, clear water, and soap—are constituents of civilization, then there can be no question that all Asia would benefit from Japanese rule or the spread of Japanese influence.

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Europeans often regard China as a nation that monopolizes the culture of Asia, and the Japanese as mere vulgar upstarts and copyists, devoid of any background of the arts.

Anyone who thinks like that should visit the Shoso-in Museum at Nara, the wooden treasure-house of Japanese culture which contains over 60,000 exhibits illustrating the past cultural achievements of the Japanese people.

The Shoso-in proves that a hundred years before Alfred the Great was born the Japanese Imperial Family

had their rice served in small covered cups of stoneware, with *celadon* glaze; ate their fruit from deep dishes of white agate; poured water from golden ewers; played chess on boards of rich lacquer, using men of white jade and red coral; burned incense in censers of bronze inlaid with jewels; kept this incense in small boxes of Pawlownia wood with gold lacquer decorations, wrote with camel's-hair brushes having delicate bamboo handles, which lay upon rests of prettily carved coral; arranged flowers in slender, long-necked vases of bronze; used for pillows silk-covered bolsters with cotton and having designs embroidered on them in low relief; carried long, straight, two-edged swords rivalling those of Damascus; kept their writing materials in boxes of coloured and gold lacquer; saw their faces reflected in mirrors of polished metal; kept their mirrors in cases lined with brocaded silk; girdled themselves in narrow leathern belts, ornamented with plaques of silver and jade, and played on various musical instruments, from harp to viol and flute, not only beautifully fashioned but exquisitely inlaid with gems. Other and harsher objects, such as armour and saddles and spears, were models of artistic beauty. The blades of the swords and spears and lances maintain their glittering brilliance; the Sutras look as if they were written but yesterday; the silks, the brocades, the tapestries, glow resplendent as they did when they graced the Nara palaces and temples twelve centuries ago.¹

And those who believe that, while art may have flowered in ancient Japan under the shadow of the Imperial Family, it was absent in the country generally, should study the proletarian art movement in Nippon and especially the career of Hideyoshi, the Tiako, the son of a peasant who became the master of Japan and the patron of its arts.

In the palaces which he built, artists created

¹ *Japan's Advance*, by James A. B. Scherer (Hokuseido Press, Tokyo).

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an overmastering impression of the whole past of the Japanese race with all its passions and ideals—a sort of gigantic race memory expressed in designs and colours as bold as they were free, as gorgeous as they were beautiful.¹

That love of art in all its manifestations remains part of the soul of modern Japan, and is common to the whole race. I have seen in that country the most delicate and exquisite pastel representations of Japanese scenes and symbols executed in a few minutes by General Araki—and other “militarists”—whose accomplishments are not generally assumed to include a love for the beautiful.

The national strength of modern Japan is deep rooted in the past, historical and cultural, and finds its expression in the characteristics of that race. Ever since the day of national awakening in 1855, the Japanese have slaved in selfless unity of purpose to achieve and safeguard an ideal—the glory, advancement, and security of the motherland. They have developed traits of industry, discipline, loyalty, and patriotism unsurpassed by any other nation on earth, with the possible exception of Soviet Russia. But whereas in Russia those traits have been imposed from above, in Japan they have grown spontaneously out of the cult of Emperor-worship, the Shinto religion, and the creed of Bushido, or the “Kingly Way of Life and Death”. Nurtured, it is true, by a careful suppression of subversive literature and doctrines, but nevertheless the natural flowerings of the national character.

Had the people of China made the same sacrifices for the good of their country, that country could long since have been the most powerful nation in Asia. But China, for all the strength of the Family System in that land, is not one vast family; Japan is. This intense belief in their Emperor, their race, and their destiny is the most striking factor in Japanese life. Unless that is understood, it is impossible to begin to understand Japan.

Out of it arises the impatience of the Japanese with the chaos which has existed in China for years, just as out of their fear of that country arises their determination that China shall be united only under Japanese hegemony. According

¹ *Art, Life and Nature in Japan*. Chapter V.

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to the Japanese, the only good Chinese is one who is a citizen of a "puppet State" protected and policed by Japanese bayonets. Their much-professed "love" for the Chinese people boils down to an acceptance of geographical facts and a belief that one day the two yellow races will be united against domination by the whites—with Japan taking the leadership and dominating the scene.

That position of leadership in Eastern Asia is a matter of life and death to Japan. She could not permit any other foreign Power to take it from her—and live. She could not do without the "glittering prizes" offered by control of China, with its raw materials, its opportunities for profitable investment, and its potential market for Japanese goods, without signing her own death warrant as the dominant Power in the Pacific. Japan, waking up too late to join in the international scramble for colonial territories and interests, sees China as her sheet-anchor. The last one in Asia unless she embarks upon the more perilous gamble of a head-on collision with some Great Power, which explains why expansion by sea—to Australia—was discarded in favour of a "continental policy".

No nation in history ever embarked upon a vast colonizing programme with such a narrow margin of resources and security behind her. Japan set out to seize control of Eastern Asia armed with the spirit of her people—and a shoe-string. The very urgency of finding some solution for her weaknesses as a nation drove her desperately on her course. She possessed only one other asset. Since 1850 Japan has never been defeated in conflict. She has fought and beaten Chinese, Russians, and Germans. Her army commanders are prepared, somewhat rashly, to take on two of those three Powers again, either separately or together. The one thing which the Japanese forces are unprepared to admit, in any circumstances, is that anyone or anything could beat Japan. Which belief may yet prepare for them a rude awakening. As long as it lasts, however, and the paper currency is there to finance it, Japan can pursue the policy of national aggrandisement and the strengthening of the national position upon which she has embarked.

Foremost among the weaknesses confronting her leaders in 1931 were the allied problems of population and food.

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The "menace of numbers" is ever present in Japan. The population of Japan proper has doubled in the last sixty years, and, with one of the highest excesses of births over deaths in the world, continues to increase at the rate of one million or more per year.

The census of 1930 revealed a total population in the Japanese Empire of that date of ninety millions, which was exceeded only by the British Empire, China, the Soviet Union, and the United States. Sixty-four millions of that total were confined on the islands of Japan proper—an area of 147,593 square miles, giving a population of 2774 persons to every square mile of cultivated land!

Although the distribution of this dense mass of humanity within the Japanese islands and possessions is by no means uniform, ranging from 169 per square kilometre in Japan proper to 95 per square kilometre in Formosa and only 8 in Karafuto, it remains true that this problem of Japan's ever-swelling numbers represents the most urgent of all the unsolved problems within the Pacific area. According to a League of Nations report in 1926, the density of population in Japan, *expressed in terms of square kilometres of arable land*, had reached the figure of 993, compared with 800 in Britain and Holland, 640 in Belgium, and only 305 in Germany.

Further, an official estimate issued by the Japanese Government predicts that by the year 1957, assuming the present rate of expansion continues, the population of Japan proper will have risen to 90 millions, or approximately 1500 persons to every square kilometre of arable land in Japan. No population expert in the world would care to commit himself to the statement that 90 millions of inhabitants could or would be cooped up on islands little larger than the British Isles in area without an explosion. It is unnecessary to follow popular writers on the subject into wild guesses which put the Japanese population at 150 millions by the end of the present century in order to admit that the problem of providing Japan with "room to breathe" cannot longer be side-tracked, or dismissed as a "Japanese affair", or simply ignored. It must be faced.

As an alternative to Japanese expansion, the widespread

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extension of birth-control throughout the population has been advocated. Anything more alien to Japanese thought than that nation promoting Dr. Marie Stopes to its Valhalla can hardly be imagined. Their religion and their social consciousness forbid it. Their Family System forbids it. Their general psychology forbids it. And so far as the crucial years immediately ahead are concerned, birth control would make no difference—the children are already born.

Birth-control literature circulates in that country, and has its advocates. Some of Dr. Marie Stopes' books have been translated into Japanese, and Japan possesses her own "Marie Stopes" in the person of Baroness Ishimoto, a graceful, young-looking woman who speaks perfect English, and has tried vainly to advance the practice of birth-control as a means of ameliorating the lives of the Japanese women. Margaret Sanger has visited Japan; I was in Tokyo when she was expected in that city again early in 1936 and recall the flurry of debates and conferences which took place behind closed doors between officialdom and police over the question of whether or not she could be permitted to speak in public without endangering the public peace.

Such pioneering work, which may one day break down the barriers of religion, national policy, and prejudice in Asia, has as yet produced no effect upon the Japanese birth statistics. Judging by the rate of increase in that country, the Japanese still agree with the sentiments displayed on a banner erected across the road leading to Yoshiwara, one of the licensed quarters in Tokyo, on the occasion of the visit of foreign warships to Tokyo Bay—"Love is the most wonderful thing in the world."

The birth-rate steadily increased from 17 per 1000 of the population in 1872 to a peak of 36.2 per thousand in 1920. This, I may add, in a country in which the "reproductive group" in the female population is 5 per cent lower than the corresponding figure for France and 7 per cent lower than the British figure, whereas the percentage of females in the pre-reproductive group (the mothers of tomorrow) was, in 1925, 36 per cent of the total female population, compared with 30 per cent in Italy and only 21 per cent in France. Such figures are characteristic of a swiftly growing nation and presage a large increase in the child-

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bearing population during the next twenty vital years. Actually, although the Japanese birth-rate has declined from 36.2 in 1920 to 34.1 in 1930, the annual number of births—due to the larger population—is still increasing, being 2,005,000 in the years 1920–24 (average) and 2,102,000 in 1931.

Reviewing all available statistics on the subject, Teijiro Uyeda, Professor of Economics at Tokyo University of Commerce, has calculated that

the number of the working population, i.e. the age groups between fifteen and fifty-nine years of age, will expand rather rapidly until 1950. The annual increase of these groups will constantly be over 400,000, and it will exceed 500,000 between 1945 and 1950. Assuming that half this number are men, employment must be provided for at least 200,000 to 250,000 persons, with a further provision for young women who are obliged to earn a living . . . this increase in the working population is the result of the increase in annual births which occurred before 1920 and cannot be counteracted by birth-control, postponement of marriage, or any other negative means. The children already born are growing, and upon reaching maturity must either be employed in agriculture, industry, or commerce, or must emigrate.¹

Or, I would add, their numbers could be reduced by the ancient Asiatic remedies—still operating in China—of war, flood, pestilence, and famine, were it not for the fact that Japanese efficiency has stamped out all but the first of these natural “cures” for over-population.

Those figures exercise a profound influence upon Japanese policy in the international sphere. In the last four weeks more than 80,000 *additional* citizens have arrived in the teeming cities, towns, and villages of Japan. During the same period, nearly 20,000 Japanese youths, apart from girls, have attained the age when they are ready to begin their life's work. During the next four weeks a new contingent of equal size will arrive ; a month later another. So Japan's expansion continues, and the pressure in that country upon its resources of homes, land, food, money, work, and everything else intensifies with each passing week. Those houses

¹ *Future of the Japanese Population*. A paper read before the Fifth Conference of the Institute of Pacific Relations held at Banff, Canada, in August 1933.

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and food and jobs *must* be found somehow ; the other way lies social chaos and revolution.

How are they to be provided within the crowded confines of Japan ? Agriculture ? But only 16,000,000 acres of land in Japan proper, or about 16 per cent of the total area, is cultivatable—all the rest is mountain or rock. Traveling about rural Japan, I have seen the industrious peasants carrying baskets of earth up the steep sides of hills, seeking to create another precious half-acre of arable soil by almost superhuman efforts. Nearly every inch of land that can be made to yield a crop by industry and patience has already been brought under cultivation. And at the end of it all five and a half million farmers in that country cultivate between them about 15,000,000 acres of ground, giving an area of a little over 3 acres per family. In Japan proper each of those acres has to feed four persons ; even in Hokkaido, more sparsely settled, the average area of land per family is only $7\frac{1}{2}$ acres. And after raising crops worth 4 $\frac{1}{2}$ million yen per annum, the impoverished farmers of Nippon had by 1936 accumulated debts estimated to amount to more than 5000 million yen, while the Japanese nation had to import one-fifth of the foodstuffs needed to maintain a standard of living which, low according to Western standards, is beyond the power of the Island-Empire to conjure out of those ricefields and orchards of the motherland.

The most optimistic estimates concerning the reclamation of land by large-scale Government action put the possible increase in the arable area of Japan at only 75,000 acres, and it is extremely doubtful whether that figure could be attained, no matter how great the capital invested in such projects. On the other hand, the increase in arable area needed to produce the additional rice alone needed to feed the annual population increase in each year has been precisely estimated. It is 142,000 acres. Neither the Japanese farmer nor the State itself could do it. Every year the disparity between food supplies and population becomes more pronounced.

As long ago as 1912, Dr. King, an official of the U.S. Department of Agriculture, wrote of "the tense strain and terrible burden to live" which was the plight of the Japanese farmer. More recently, the National Agricultural Society of

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Japan, after a careful investigation of the incomes and conditions of Japanese rural areas, admitted that "farmers cannot live on the incomes of their farms alone".

That conditions have shown no improvement is revealed by the statement of Michinosuke Hamada, secretary of the Central Union of Co-operative Societies in Japan and an expert on agrarian matters, who summarizes the underlying causes of the agricultural distress existing in rural Japan as

the tenancy system which applies to 47 per cent of the entire farmland in this country, the long-accumulated farm debts, the growing discrepancy between the market prices of agricultural and industrial products, and the excessive tax burden imposed on farmers. These adverse elements, together with the intensified economic depression, has brought the farmers to a parlous plight. Unrest is spreading over the entire agrarian community.¹

There is evidently no possibility, therefore, of absorbing Japan's 20,000 new labour recruits per month in agriculture, not even by intensified cultivation of what land there is, for the yield of rice per acre—2510 pounds—is already the highest of any rice-producing country in the world, and conclusive evidence of the immense effort which Japan has made in the past to extract the largest possible amount of food from her soil—"before we bothered the world over our urgent need for national expansion", the Japanese themselves would add.

Can that growing population be absorbed in industry? The answer is that they have been, though with increasing difficulty, and amid an increasing chorus of protests from nations upon whom the sight of a case of goods labelled "Made in Japan" has much the same effect as a red rag waved before a dyspeptic bull.

Japan has achieved miracles in industrial expansion during the past thirty years, fully confirming President Theodore Roosevelt's prediction, uttered in 1905, that "she will be as formidable an industrial competitor as, for instance, Germany, and in a dozen years I think she will be the leading industrial nation in the Pacific".

The "rise of Japan" which impressed President Roose-

¹ *Contemporary Japan*, June 1936, p. 78.



"DOLLS" WHO CHALLENGE LANCASHIRE
Japanese girl cotton-operators of Osaka parading to the mill for a day-shift



JAPAN'S EVER-PRESENT PROBLEM

Ninety millions like them demand work, food and a place in the rising sun !

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velt at that date was an increase in output from an index figure of 100 in 1895 to 226 in 1905. By 1915 industrial output was up to 426; by 1924 to 963; ten years later it was over 1500 per cent above the 1895 figure and still rising rapidly. Neither international depression, currency troubles, nor discriminatory legislation against Japanese goods enforced in many markets in which she sold could stay the triumphant advance of the energetic and enterprising industrialists and workers of Dai Nippon.

To quote but one more figure illustrating the intensity of her effort to keep her people employed, in the first six months of 1936, Japanese exports of cotton piece goods exceeded those of Lancashire by nearly 400,000,000 yards—this despite the fact that out of 127 countries to which those goods are exported, 76 of them (including all the most important) had adopted discriminatory measures against Japanese imports, 33 by means of tariffs and 43 by quotas.

The problems and misconceptions arising out of Japan's rapid industrial expansion, and her appearance in the world's markets as a mass-exporter of everything from machinery to those pipes and miniature hats bearing the mystic legend "*Erin go Bragh*" beloved by Irishmen on March 17, are, however, the subject of a separate chapter. Here attention may be devoted to another of Japan's urgent needs—for increased supplies, under her own control, of those basic raw materials which are the lifeblood of any industrial community.

Under conditions as they existed until 1931, the bulk of Japan's requirements in coal, iron, steel, tin, rubber, cotton, and other components of national strength in peace and war were imported from overseas—and often over long distances. A conflict with any Power able to close the Pacific sea routes to her shipping would not only have destroyed all chances of employment for the new recruits that stream into her industries, and for old hands as well, but would have brought proud Japan to her knees within a few weeks, even assuming that by strict rationing of food that population could have been kept alive without that one-fifth of all her food requirements which are imported.

It is at this point that Japan's Achilles Heel comes into view, and one explanation emerges for her refusal to accept

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anything less than priority with the navies of Britain and the United States.

Japan is poor in mineral resources [states the *Japan Year Book*], and it is only in copper that she produces more than enough to supply her requirements. In iron, coal, petroleum, and some others she is hardly self-sufficient, and has to import a good deal from abroad.

The deposits of iron-ore in Japan proper have been estimated at 83 million tons, with a further 125 million tons in Korea. Not all the Japanese deposits are commercially workable, however, and imports of iron-ore are rising swiftly, increasing from 1,482,000 in 1932 to 2,132,001 in 1934. This imported ore comes mainly from three sources: the Tayeh and Tao-chung Mines in China, from Johore, and from Manchukuo. Only the last-named source of supply is at present under Japanese control and near enough to her mainland for the navy to be in a position to guarantee deliveries in time of war. Hence the importance which Japan attaches to the great Anshan and Penchihiu Mines, situated on the South Manchurian Railway.

The amount of iron-ore produced in Japan in 1934 was only 350,000 metric tons, compared with imports of more than 2 millions. Japan, in other words, is dependent upon sea-borne supplies for all but about 14 per cent of her needs. In the case of pig-iron, Japan produced in 1933 1,423,889 tons and imported from Korea and Manchukuo about 600,000 tons. Moreover, the deposits of iron-ore existing in Manchuria are estimated at 750 million tons.

During the Great War, Japan had the bitter experience of seeing her supplies of iron and steel cut off from Great Britain and the United States. Even today, her imports of iron-ore from the Johore and Tsinganu Mines, which she owns in Malaya, amount to 38 million tons annually—and every one of those tons has to be carried across 2500 miles of sea. But Japan has learnt her lesson. The output of the Nippon Ironworks, established to ensure that the war-time breakdown of iron and steel supplies does not happen again, is now three times the 1919 figure. And in Manchukuo—Japan's bright new child—the production of the Showa Steelworks, inheritors of the Anshan Works,

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has been speeded up and is estimated at 130,000 tons of pig-iron, 200,000 tons of steel materials, and 130,000 tons of rails and other oddments per annum. All produced from Manchurian ore mined on the spot. All firmly within the grasp of Japan in peace and war. And that production is still increasing; the only limit to Manchuria's output of iron-ore is what Japan deems sufficient. Sweet are the fruits of "autonomy".

Next to iron in importance ranks coal. How does Japan stand in regard to this necessity of industrial expansion?

A survey made in 1932 revealed that Japan's coal deposits amount to 10 billion tons, of which, however, only about half is workable under present conditions. Even 5 billion tons constitutes a national reserve of comfortable size; but Japan refused to be comforted. Her annual consumption has risen from 11 million tons in 1907 to 35½ million tons in 1933 (of which 30 millions were produced in Japan), and the Japanese—comparing, perhaps, their reserves, amounting to 150 tons a head, with China's 2330 tons a head—felt that their position in regard to fuel supply was not all it should be.

In dealing with this problem—potential rather than immediate—Japan was faced with the same alternatives as in the case of iron. Either she must secure control of fresh coalfields outside the Japanese islands, near enough to guarantee uninterrupted deliveries in a time of emergency, or she must remain dependent upon foreign nations for the satisfaction of any sudden expansion of demand over and above what her own coalfields could produce. It was important that an answer should be found to that problem, for, remembering that no Great Power had ever maintained its position without free access to abundant supplies of coal, it worried Tokyo more than the facts warranted. Japan found the answer—Manchuria.

Of all Manchuria's natural resources, coal heads the list [stated the *Osaka Mainichi* of June 25, 1932, in a survey of Manchuria's mineral wealth]. The principal coal-mines are at Fushun, Yentai, Hsintai, and Penchihu. Of these, Fushun's annual output of coal reaches seven millions ton. The mine's coal stock is believed to amount to one billion tons. The Yentai mine annually produces about 150,000

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tons. Its total supply is estimated at 40 million tons. The Penchiho total is said to reach 200 million tons.

Regarding the Hsintai Mine, the supply remains unknown, but it is roughly estimated at 1110 million tons, a larger figure than that of Fushun. Smaller coal-mines number almost fifty, and the supply of these mines and that of the greater mines combined reach the colossal figure of more than 3000 million tons.

And the *Osaka Mainichi* added significantly, "With this fact in view, Japan will never have a coal shortage as long as she has her interests in Manchuria", to which it may be added that in addition to these rich coalfields of Manchukuo coal reserves in Inner Mongolia estimated at 1200 million tons came within Japan's expanding "sphere of influence" on the Chinese mainland in 1936, while further coal and iron reserves exist in other regions of North China that are firmly within the grasp of Japan. Consideration of these facts helps to explain the constant statement of the Japanese that a "settlement" of the Manchurian question—by which is meant the absorption of that country within the Japanese Empire—was a matter of life and death to Nippon.

In regard to petroleum, Japan's position is even more unsatisfactory. In 1930 the consumption of petroleum reached 412 million gallons, of which 338 million gallons were imported. Taking the detailed figures for the previous year, Japan's dependence upon overseas supplies of oil of all grades for naval, industrial, and commercial use becomes even clearer. Out of 122½ million gallons of petrol consumed in 1929, all but 20,000 gallons were imported; out of 45½ million gallons of kerosene, 38 million gallons came from abroad, and of 158 million gallons of crude oil, only 6 million were produced in Japan.

If Manchukuo cannot solve Japan's oil problem (oil deposits in that country are confined to about 5500 million tons of shale oil, which are now being tapped by the Japanese), it contains almost inexhaustible supplies of magnesium. And if magnesium alone will not enable wars to be won, it is equally true that they cannot be won without it! As a metal for use in the construction of warplanes, magnesium is an improvement upon aluminium, but in the past it had the defect of easily corroding and being affected by salt air. Japanese scientists have now evolved

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magnesium alloys which are less susceptible to the action of salt, and the way is thus opened up to utilize one more of the natural resources of Manchuria.

In order that men may work—and fight—they must be fed. Japan's necessity of importing one-fifth of all the food she needs has been mentioned. Here again, Manchuria—her new partner in weal and woe—comes to the rescue. Most of the kiao-liang grown in that country is now consumed there, but its production can easily be increased under Japanese encouragement. Again, Manchuria is the world's largest producer of soya beans, and this crop could be utilized in emergency. Rice and millet production in Manchuria is increasing, and Japan benefits by reason of the fact that the millet is exported to Korea, which in return exports its rice crop to Japan.

Once upon a time, not so very long ago, Japan viewed the possibility of an economic blockade of her coasts with genuine alarm. With Manchukuo in her possession, she has ceased to worry about food supplies, even though the day when her population will top the 100 million mark is not far off. The organization of Manchurian supplies in time of peace, and their transport under the eyes of the Japanese navy in time of war, should that time come, will safeguard her from any such shortage of food as disturbed the Government of Great Britain and contributed to the defeat of Germany in the Great War.

Thus the first-fruits of Japan's transformation into a Continental Power has been the solution of two of her burning problems—iron and food and the removal of all fears concerning coal supplies in the future. In other respects, however, her dependence upon foreign supplies remains.

Japan produces about 4000 tons of lead a year and imports some 60,000 tons. She produces 18,000 tons of zinc and buys 50,000 tons from other sources. One-third of her aluminium supplies are imported—and imports of that commodity are increasing rapidly.

A substantial part of her requirements in iron-scrap, tin, nickel, and brass come from the ends of the earth, as is shown by the fact that total imports of all ores and metals in 1934 were valued at 307 million yen. So must her requirements of rubber and—until her new possessions in

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China make her independent of foreign supplies—of raw cotton and wool. And the day when Manchukuo can compete with Australia in the production of wool, and the province of Shantung has become a cotton-field under Japanese exploitation, is not yet.

Only in the case of coal and copper is Japan able to satisfy her needs without drawing upon the resources of Manchukuo or importing from other countries. Clearly no dramatic expansion of her own natural resources can provide jobs for those 20,000 new workmen who clamour for employment *every month* in Japan.

Nor does emigration provide any "safety-valve" for Japan's swiftly growing population. The British Empire and the United States are both closed to the yellow race. The number of emigrants in 1930, a typical year, was 21,829 out of a population increase *in that year* of nearly 1,000,000. More than half these emigrants went to Brazil. Moreover, during the same period nearly 16,000 migrants returned to the motherland, giving Japan a total net emigration of less than 7000 persons!

In 1931 the net emigration was less than nil, about 10,000 leaving Japan and 12,000 returning; in 1930 it was 13,000.

The failure of the Japanese to emigrate is not entirely due to the "ring-fence" which the white nations have erected round the teeming islands of Japan. Even in the days when the Philippines, Hawaii, and California were open to Japanese settlers, the Nipponese showed little inclination to stray from home. Their love of country, Family System, and differing civilization all combine to discourage migration on any considerable scale. Where, as in Hawaii, any considerable number of Japanese settlers are to be found, experience shows that they do not assimilate with the local population. They remain Japanese, looking back to Dai Nippon as their home and inspiration.

If the Japanese are disinclined to roam, they are also fearful of migration into Japan destroying their established standards of life, which are high judged by Asiatic conditions. It has truly been said that a Japanese can thrive where a Briton would starve, a Korean can thrive where a Japanese would starve, and a Chinese can thrive where a Korean would starve.

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Discussing this point in relation to the possibilities of Japanese migration to Manchukuo, Ben Dorfman states :

The Japanese settler demands better food than his Chinese competitor. The Japanese stomach requires rice, fish, and other comparatively expensive foods, whereas the Chinese functions quite satisfactorily on such coarse fare as kiao-liang, millet, soya beans and the like. The Japanese settler demands better dwellings, and he wants to keep them cleaner. He insists on solid and durable construction, whereas the Chinese is quite content with crude huts of the cheapest construction. The Japanese must have more fuel and water, not only for his cooking and cleaning, but for his person as well. He wants his daily bath, while the Chinese is content to do without it. Bathing requires soap, towels, water, laundering, space and facilities—all of which cost money. The Japanese demands better and more clothing, not only for the sake of variety but to allow for frequent change as well. The Japanese wants books, magazines, and papers for himself and good schools for his children. The illiterate Chinese—and the great majority of Chinese in Manchuria are illiterate—largely avoids this expense. The notion that Japan in any marked degree can solve her population problem by sending settlers to Manchuria is an ill-founded and vicious illusion. . . . In addition to the direct economic obstacles to Japanese settlement in Manchuria there are a number of other obstacles. The Japanese do not like to leave their homeland for places so unfamiliar and physically distasteful as Manchuria. Neither the climate nor the landscape appeals to them.¹

Japan has suffered from the influx of cheap Korean labour in the past ; one of the reasons—if not the only one—which carried the day against out-and-out annexation of Manchuria was the fear that if the 30 million Chinese settlers in that country became Japanese subjects, a vast tide of cheap labour might move in the direction of Japan. Second only to the nightmare of a united and powerful China rising up on the opposite side of the Eastern Sea is the fear that an industrialized China may beat Japan at her own game, and the “limitless” Chinese market, so often talked about, come into being only to provide custom for the mines, mills, and factories of an awakened Cathay.

Already China is successfully extending her output of cotton piece-goods for the internal market. Vast new industrial projects designed to lessen China's dependence upon imports are afoot.² Japan reads the signs and does not

¹ *Asia*, January 1934.

² See Chapter X.

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like it, which is one other reason why she suddenly discovered an itch for autonomy on the part of the Chinese millions in North China. For the only Chinese market on which Japan can absolutely rely, beyond a peradventure, is that market in which her commercial travellers carry rifles! Japan must provide work for her increasing population, no matter who else suffers. Work means exports. Exports mean markets.

In striving to sell the goods which pour from her factories and workshops in a ceaseless stream, Japan has displayed outstanding qualities of energy and enterprise. She has also contributed to the wealth of the world, though from some of the comments in the foreign Press one would hardly think so. If she has doubled the spindleage of her cotton-spinning industry within the past ten years—from 5 million spindles in 1925 to 10 millions in 1935—she has also bought more than a pound's worth of goods abroad for every pound's worth that she has sold. She can only continue her heavy, and necessary, imports of raw materials for her industry and arsenals by virtue of her "invisible exports" represented by shipping and other services, and returns on capital invested abroad, notably in Manchuria and China. Even then it is probable that she would not have kept abreast of her problem but for a rearmament programme which is at present providing work for thousands and being financed by internal loans.

Japan's trade "drive" which has so alarmed the nations of the British Empire and Europe, and which has led to insistent demands for protection against dumping, arises out of no plot to dislocate world markets. It was forced upon Japan as a means of national survival. And the nation which forced that intensive search for overseas markets upon the Japanese was, all unwittingly, the United States of America.

Prior to 1932 Japan's main source of income from foreign trade was raw silk, which accounted for 35 per cent of her total and 85 per cent of her total exports to the United States. The sale of that raw silk had for years been the main support of her great agrarian population. Millions of Japanese farmers paid their way by virtue of the fact that American women liked to wear silk dresses and

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underclothes, and American men preferred real silk shirts to imitations. Then came the Wall Street crash, and both American men and women were faced with the necessity of making last year's dresses and shirts last out a little longer. The value of Japan's exports of silk dropped from 850 million yen in 1925 to 342 million yen in 1931, and the Japanese had either to find compensating incomes through the development of trade in other directions or face economic disaster.

Moreover, at the very moment when the value of silk exports nose-dived, Japan's income from exports of cotton piece-goods to China and India, her two main Asiatic customers, showed signs of failing. While the quantities exported remained, more or less, what they had been in previous years, expressed in terms of income they had dropped from nearly 300 million yen in 1925 to less than 100 million yen in 1931.

Unless something was done to stop the rot, Nippon could no longer afford to pay for her imports of cotton from America, and not only would her farmers be ruined, but her cotton mills would have to close down, which meant large-scale unemployment.

It was an industrial crisis of the first magnitude which the leaders of Japan faced during the years 1931 and 1932, and they faced it with courage. There was only one thing to be done. New markets must be found—in Africa, in South America, in Australia, in Europe. New lines of goods must be put on the market to make up the deficit. The order went forth for the greatest trade offensive that the modern world has ever experienced.

The resultant success startled other countries besides the British Empire. The yen value of Japan's exports to the Latin countries of North America, including Mexico and Cuba, rose by 170 per cent in 1934 as compared with 1933, and by 1200 per cent as compared with 1931. Her exports to all South American countries increased by 500 per cent between 1931 and 1934. The total value of her exports to Britain doubled between 1931 and 1934; to India they rose from 110,000,000 yen in the former year to 258,000,000 yen three years later. Exports to the Straits Settlements were more than trebled; to Australia they were

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quadrupled! They doubled in the case of South Africa, trebled in the case of Egypt, and rose 400 per cent to New Zealand.

Over the world as a whole, Japan increased the total value of her exports, in the four years 1931 to 1934, from 1,150,000,000 yen in 1931 to 2,175,000,000 yen in 1934, an increase in yen value of over 90 per cent. Small wonder if other industrial nations, faced with the displacement of trade implied by these figures, wondered whether this attack all along the line might not be the "Yellow Peril" about which they had read so much.

The natural uneasiness generated by the forward march of industrial Japan resulted in many wild charges of "unfair competition", "dumping", and "slave labour" which would never have been uttered by any unprejudiced person conversant with factory conditions in Nippon, and also—what was more important and harder for the energetic Japanese to bear—in no fewer than forty-seven different countries imposing more or less severe trade restrictions on foreign imports aimed more or less directly at the competition of lower-priced Japanese goods. It was by such means that the most serious results arising out of Japan's dilemma were averted, and an unstable equilibrium re-established between the Western nations, with their higher-wage scales and differing civilizations, and Japan, where a low-wage scale, depreciated currency, and thoroughgoing "rationalization" had together provided weapons in the trade fight immensely superior to any of which the West could boast.

But the truce is only temporary; at any minute the fight for markets may be resumed. World trade cannot remain in blinkers for ever, and Japan continues the pressure on trade markets even while her army commanders consolidate their gains in Northern China in readiness for the next step forward.

No lasting solution of the problems created by Japan's rise as a great industrial Power—and Japan's vital need for markets if her growing population is to be kept employed—is in sight. A solution, fair alike to Japan and to other nations, never will be found as long as the industrialists of Great Britain and the United States wring their hands and bemoan the "terrible conditions" under which the Japanese labourer lives.

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All Japanese employers are not angels. The ratio of candidates for heavenly honours among the employing class is approximately the same the world over, and it wouldn't hurt either Japan or the world if her labourers had more money to spend. It might even make some of those careful efforts to suppress "Communist"—by which is meant "Left"—literature and teachings in Japan unnecessary. But when that has been said, it remains true that the wages and living conditions of the five and a half million Japanese workers, male and female, employed in factories, mines, and transportation are, if extremely low when judged by European standards, adequate for their few needs and customary standards of living. During many visits to typical Japanese factories and mills I have not found the "poverty-stricken and over-worked" proletariat of Western imagination; instead I have talked with dozens of workers, men and girls, who were well-dressed, healthy, energetic, and apparently contented. Certainly in some textile mills the women workers "live in" in compounds, like barracks. Which sounds terrible, but isn't, for the girls are recruited from peasant families and during the two years for which they contract for service (usually in order to secure new clothes and a *dot*) they are lodged and tended by the factory management. And the dormitories which I have inspected in Japan—and other reports confirm my own—were scrupulously clean.

Thus, in one spinning-mill I found 3000 girls working in return for their lodging and a cash wage which was equivalent to 10s. 6d. a week in English currency, but worth at least half as much again in Japan. For their food, mainly the rice and fish which is the national diet of all classes in that country, they paid fourpence a day. And lived well on it. The amenities available to them include a gymnasium, a company store, cultured organizations which teach them to be "diligent in all things and worthy subjects of the Emperor", and a shrine at which they worshipped. On a wage which averaged less than 1s. 6d. a day, those 3000 cotton operatives could live according to the standards to which they were accustomed, and save half their earnings! On the same wage, in the conditions obtaining in Lancashire, they would have starved to death in two months. Or less. Yet those Japanese girl workers seemed perfectly content

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and spoke enthusiastically, as did men in other factories, concerning their country and its achievements.

More significant than their answers to questions, perhaps, is the fact that all over Japan tens of thousands of those girls are members of the White Lily Society, formed to provide some community-life for girls divorced from the normal contacts of home interests. The "White Lilies" hold meetings in the factory dormitories. These gatherings are not concerned with politics, wages, hours, conditions of service or unemployment pay (although some of Japan's industrial proletariat is profoundly interested in these matters). Instead, the "White Lilies" listen to a debate initiated by one of their number, follow this with a period of silent Buddhist meditation, and end the proceedings by "Worshipping the Emperor"—performed by all present bowing in whatever direction the Imperial Palace is supposed to be.

According to every Western standard, these workers are disgracefully sweated. According to Japanese standards their conditions of employment, if susceptible to improvement, are by no means harsh. Not harsh enough, for instance, to disturb either their contentment or their patriotism. Which paradox presents the Western industrial world with its biggest conundrum, and accounts for one more canard about the Japanese which has circulated too long—the statement that Japanese goods are "cheap and nasty", produced by sweated labour, and dumped in overseas markets at prices which are under cost.

The facts are slightly different, and in fairness to the Japanese should be more generally known. For this question of markets for her goods, produced according to the customary standards of her country, has profoundly influenced Japan's international relations during the past decade, and especially since the Manchurian "incident". And her reply to every criticism must be that, faced with that ever-present problem of providing employment, and markets, for 20,000 additional workers every month—over 200,000 a year—she has done only what any other nation would have done. She has kept her people at work, shipped the goods they made to other countries, and there sold them.

Which is precisely what all the hullabaloo is about.

CHAPTER III

"MADE IN JAPAN"

THIRTY-TWO per cent of the people of Japan—the percentage of her total population engaged in industry and commerce—have staggered the world. How have they done it ? And how far is the swift expansion of Japanese exports the result of unfair methods of competition ?

The elementary facts behind Japan's trade expansion have already been outlined. She was, until 1931, a small country, poor in natural resources. The Japanese islands are suffering from a population problem more severe than that facing any other country on earth. In order to maintain that population she had to import large quantities of raw materials. In order to pay for those imports she had to export goods. For her, foreign trade is vital to her existence.

In turning to examine the facts—as distinct from fiction—behind Japan's advance to the front rank of industrial Powers, it may be well at the outset to set down one or two figures which place the Japanese trade "menace" in perspective.

Japan's exports in 1932, per head of population, amounted to £1 5s.; Great Britain's were £5 10s.; and Belgium's £10 5s.¹

The total amount of Japanese exports in that year represented only 3.05 per cent of the aggregate of the world's exports.

In 1934 she sold to other countries goods to the value of 2,171,924,000 yen and bought from them goods and raw materials valued at 2,282,601,000 yen—thus having an adverse trade balance of just over 110,000,000 yen.

During the 64 years from 1868 to 1932, Japan has

¹ Expressed in gold values.

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imported more than she exported in 44 of them ; in the remaining 20 years her exports exceeded imports.

Today the trade balance is against her in almost every important country, and her commercial budget is balanced only by reason of the existence of considerable "invisible" exports.

Why, then, sensational charges about the "menace of Japanese goods" and the "new Yellow Peril" ? They arise out of three simple facts—that Japan has been expanding, in the trade sense, during years when the commerce of other industrial nations has been declining owing to world depression ; a widespread belief that Japan's advance in the trade field has been secured by unorthodox methods such as selling below cost, Governmental subsidies, depreciated currency, and a lower standard of living than any British trade union would tolerate for five minutes ; finally, the charges levelled against Japanese industry arise partly from the fear, which is well founded, that, to use a colloquialism, "Japan hasn't started yet", and that during the years immediately ahead Japanese competition will be felt by other nations to an increasing extent.

How far is the charge of unorthodox methods justified ? Something has already been said concerning labour conditions in Japan. Let two Englishmen, who cannot be accused of prejudice in favour of the Japanese, answer the question.

The *Economist*, commenting upon remarks made by Sir Harry McGowan, Chairman of Imperial Chemical Industries, following a visit to Japan, stated :

One factor in Japan's success, Sir Harry admitted, was the temporary advantage of the 63 per cent devaluation of the yen. The importance, however, of low wages and long working hours had been, in his opinion, greatly exaggerated ; national habits and needs were different in Japan from those of a Western country, and a mere monetary comparison of wage rates was therefore meaningless. Sir Harry himself, in going through Japanese factories, had found no outward signs of malnutrition, of lack of physical energy, or of a discontented people. The third factor, to which Sir Harry clearly attached most importance, was efficiency of organization. "Protection", he observed, "is no substitute for efficiency."¹

¹ *Economist*, London, February 3, 1934.

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Writing on the thoroughgoing rationalization of Japanese industry which had enabled that efficiency to be obtained, Mr. Sansom, British Commercial Counsellor in Tokyo, stated :

The leading feature of industry in Japan during the period under review is its progressive “rationalization”. In most of the important manufactures there was a serious and on the whole successful effort to improve organization and technique, to economize labour and to reduce costs. . . .

That rationalization has been more than a popular phrase is patent to anyone who has spent the last few years in Japan. The quality and the variety of Japanese manufactures have improved at a remarkable rate. The development was doubtless not so sudden as it appears, since the national energies have been devoted to this end for long past, and there has now grown up a generation equipped with the necessary knowledge and skill, which is able to profit by the experience—both the achievements and the mistakes—of other industrial countries.

But the hard times of 1930 seem to have accelerated the progress, with the result that today in many fields the Japanese manufacturer produces a better article than ever, and at less cost. By the second half of 1932 Japanese goods in great variety were flooding the markets all over the world ; and, though the fall in the exchange value of the yen was in many cases the chief reason for this success, its underlying cause is increased efficiency.¹

The much-discussed Japanese standard of living was referred to in the course of an article by a special correspondent which appeared in the *Spectator*.²

Such advantages as Japan enjoys as a result of her depreciated yen may be short-lived [stated the writer], but there will still remain permanent elements in her industrial fabric which will make her competition increasingly formidable for an indefinite period. One of these, of course, is the standard of living in Japan. To call it low begs the question. It is Japan's standard, a standard with which she is satisfied, and it should be described less as low than as simple and inexpensive. Measured in terms of contentment, it would be hard to say that the Japanese worker lives on a lower standard, or leads a less agreeable life than an English worker. Japanese labour is certainly not sweated or oppressed. Without any such stimulus the average

¹ *Economic Conditions in Japan*. A report by Mr. G. B. Sansom, C.M.G., and Mr. D. W. Kermode, Department of Overseas Trade, 1933.

² *Spectator*, December 15, 1933.

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Japanese works hard and takes an interest in his job, and with a thoroughness which a competent observer acquainted with both countries sometimes misses in Lancashire. For better or worse, and in some respects no doubt it is for the better, the average Englishman does not think of trade and industry as the chief business of life. The average Japanese and Chinese do, and the result is that the factory and the office in Japan or China is animated by a kind of convinced determination which is absent or deficient in Western countries.

While a Japanese expresses the same point that two differing standards of civilization cannot reasonably be considered on a basis of wages alone by saying: "Transplant a Japanese mill-hand to Lancashire, give him an iron bed with a soft mattress, put him on a ration of bread and butter, beefsteak, coffee and cream and he will go on strike, demanding Japanese bedding spread on a matted floor, and a ration of fish, rice, and vegetables which, to him, are more palatable and wholesome. It is the misfortune of the British or American millowner that his standard calls for higher-priced materials than the Japanese, that is all."¹

With regard to the widespread charges of "dumping" levelled against Japan, there is on record the evidence of Mr. F. Maurette, Assistant Director of the International Labour Office, who headed a mission to Japan in April 1934.²

Is there any evidence of social dumping by which Japanese export trade benefits? My reply to this question was as follows: In the first place it must be asked: what is the real meaning of the term "social dumping", which has never been clearly defined? In my view it can be defined by analogy with commercial dumping. Commercial dumping consists in exporting goods at prices which are less than the cost price plus a legitimate profit, and in selling the same goods on the home market at a higher price than cost plus the aforesaid legitimate profit. By analogy it can be said that social dumping consists in increasing the chance of exporting national products by reducing the cost of production by means of depressing conditions of labour in the undertakings which manufacture them, or maintaining those conditions at a very low level if they are already at

¹ Quoted by James A. B. Scherer in *Japan's Advance* (Hokuseido Press, Tokyo), p. 195.

² Published at Geneva, June 1, 1934.

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such a level. That may be done either with the consent of the workers or by compelling them to accept such conditions.

If that is what social dumping means, it may be stated that it does not exist in the Japanese industrial undertakings working for export which I visited. Indeed, it is in the large new undertakings, which manufacture mostly for export, that conditions of labour, including hours of work, holidays, wages, health, safety, etc., stand at the highest level. While, as is the case in all industrial countries, general conditions of labour should tend to improve in the years to come, according to the principle on which the International Labour Organization is based, those factories are not at the lower end of the scale ; most of them maintain the highest standards which exist in Japan and serve as examples for the others.

I have myself searched in Japan for evidence which would support the allegation of “dumping”, but although I talked with many buyers from China, India, Australia, and elsewhere who have large business connections with Nippon, and visit that country every year, I failed to find any support for the charge.

The nearest approach to “unfair competition” which exists—apart from a fortuitously low-wage standard—lies in the “interlocking” system between banks, commercial houses, factories, and shipping concerns which enables the closely directed stream of Japanese exports to get the utmost possible out of the resources of the country. The exact extent of this system is difficult to gauge, but one instance which came under my notice may be cited.

A Japanese cargo vessel, bound for South African ports, had some fifty tons of cargo-space unfilled a week before she was due to sail. In England or the United States, failing a last-minute request for freightage from some exporter, that ship would have sailed with the space unfilled. Not so Japan.

The shipping company concerned notified the Chamber of Commerce. The Chamber of Commerce looked over its list of members who were exporters, and finally came upon a firm manufacturing umbrellas, and got into communication with it.

“Do you export umbrellas to South Africa ?” the firm was asked.

“We do not,” was the reply. “When the cost of freight

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is added to the cost of manufacture, we could not sell there at a price which would compete with other sources of supply."

"Could you sell at a profit if there were no freight charges to pay?" was the next question.

"Certainly, and make 10 per cent profit," was the answer.

"Then send fifty tons of umbrellas to s.s. — before such and such a date," stated the Chamber of Commerce gentleman. "There will be no bill for freight."

Off went the umbrellas to South Africa, where doubtless they were eventually sold.

Now comes the sequel. Some time later, that same firm applied to its Chamber of Commerce for an allotment of tonnage space for a shipment of sunshades to South America.

"What profit can you make on sales in that country?" asked the Chamber of Commerce.

"We do very well in South America," was the reply.

"We can earn 20 or 25 per cent there."

"Well, let us see," replied the Chamber of Commerce.

"Some time ago we provided you with free freight to South Africa. This time you will pay two and a half times the usual freight rate to South America and be content with 10 per cent profit. That will square accounts."

Thus nearly every ship sailing under the Japanese flag leaves that country fully loaded with cargo, no matter what its destination. Thus Japan finds new markets for her manufacturers through the close link-up between Government, shipping, Chambers of Commerce, and manufacturers' associations.

Is that "unfair competition"? Japan says no—it is merely rationalization applied to cargo-space on her ships. The rest of the world, still lagging behind Japan in large-scale organization among manufacturers, and between manufacturers and shipping companies, says it is. And thus we have one reason for the bitter quarrels between Japan and such countries as India, Australia, and forty-five other nations over the rapid increase in Japanese imports. Even the little "Territory of Hawaii", owned by the United States, was in a ferment over this very problem when I landed at Honolulu in 1936.

Apparently the Japanese Government had welded all

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the Formosa pineapple packers into one unit, regimented to the last button on the last native labourer. Before that event 90 per cent of the Formosa output went to Japan, the remaining 10 per cent being unloaded in the United States and elsewhere at prices which, despite tariffs, were from 20 to 25 per cent less than Hawaiian schedule. And the Hawaiians saw in the rationalization of the Japanese industry the shadow of sharper competition at prices which neither the American nor Japanese growers in that territory could rival.

In many cases, those responsible for the “trade war” were less than fair to Japan. Thus in the case of Australia, a country which took drastic steps to limit Japanese imports during 1936, that country’s purchases of the Australian wool clip rose from 1 per cent in pre-war years to 27 per cent in 1935/36. Yet when the Japanese, not unreasonably, suggested that in view of this valuable export trade, Australia should purchase some of her requirements in manufactured woollen goods from Japan, and thus help to redress the balance of trade between the two countries, the howl that went up from the Bradford woollen manufacturers was distinctly heard at Canberra and Sydney. Which, in view of the fact that in 1935 Japan’s purchases in Australia were double the value of Australia’s purchases from Japan, is as good an example of the indiscriminating opposition to her legitimate trading interests as can be found.

Japan’s position regarding wool is interesting for other reasons. That country produces only 200,000 pounds of wool a year, and consumes over 200,000,000 pounds; the difference between those two figures she imports from Australia, South Africa, and the Argentine.

The day may dawn, however, when at least a part of those colossal imports will no longer come from sources far distant from her shores, for here “Manchukuo” comes into the picture.

There are now only two million sheep in Manchuria, but it is calculated that the number can be raised to twenty-five millions in twenty-five years. Even the two million sheep now grazing there are of poor breed and are badly tended—mutton, not wool, being the object of their care. But this breed is in process of improvement. The South Manchurian Railway, at its great experimental farm near

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Kung-chu-ling, is accomplishing startling results in animal husbandry. In spite of inferior wool, the native or "mongolian" sheep is a hardy beast in comparison with other breeds, especially during the first two months of his life, when the ordinary lamb mortality runs high. He is also a good grazing animal, being accustomed to climb to high slopes. Merino wool has now been successfully fixed to his back, and this combination of superior wool with a sturdy stock should be of distinct advantage. The extremely valuable wool known as Persian Lamb is also under experimentation, with fair prospects of success.¹

To which Mr. B. W. Fleischer, publisher of the *Japan Advertiser*, has added that :

The development of a supply from Manchuria would unquestionably prove advantageous to Japan, for whatever the characteristics of the wool might be, it would in time create an industry which would adapt its production to the character of supply and probably give predominance to that industry in a specialized field.

The story of Japan's battle for a place in the trade sun is aptly illustrated by her relations with India—a country from which she purchases large quantities of raw cotton, and exports manufactured cotton piece-goods.

Until 1930 the Indian tariffs on British and Japanese cottons remained equal. In March of that year the Indian Government raised the Japanese duty to 20 per cent and the British to 15 per cent. One year later the duty on Japanese cottons was raised to 25 per cent and the British to 20 per cent ; in October 1931 the Japanese duty became 31½ per cent and the British 25 per cent ; in September 1932 the Japanese duties rose again to 50 per cent, while those on British cottons remained at 25 per cent. Finally, in June 1933 the duties imposed on Japanese goods rocketed up to the prohibitive figure of 75.06 per cent, while the British duty remained unchanged. Moreover, at the same time the British cotton industry, alarmed by the fierceness of Japanese competition despite all barriers, persuaded the British and Indian Governments to abrogate the trade convention under the terms of which Japan and British India have conducted their mutual trade for twenty-eight years.

Yet in twenty-seven of those twenty-eight years the trade balance had been favourable to India, from whom Japan had

¹ *Japan's Advance*, by James A. B. Scherer, p. 109.

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bought raw materials amounting to 130,000,000 yen annually more than she sold. Only in 1932 did the balance, for the first time, become favourable to Japan.

As India was taking over 30 per cent of Japan's total exports of cotton piece-goods, the joint threat of a prohibitive tariff and the abrogation of the trade convention between the two countries alarmed the Japanese Cotton Spinners' Association so much that, with a singular lack of humour, they demanded that the boycott weapon—against which they protested so violently when China used it against Japan—should be employed to bring India to heel. (This was not the first occasion on which Japanese industrialists, by their actions, lend support to the popular but erroneous impression that the Japanese have no sense of humour. When, during the Great War, the British Government informed Japan that she could not supply shipping space to transport to Japan certain goods of which her factories stood in need, the industrialists of Osaka solemnly proposed that their Government should “change sides” and try to secure the goods required from Germany!)

Happily, in the Indian *impasse* common sense prevailed. After delicate negotiations, a new convention was signed in London between the cotton interests of Japan and India, under which Japan agreed to restrict her exports to India of cotton piece-goods to 325,000,000 yards a year, with the further provision that if Japanese purchases of Indian cotton fell below a minimum of one million bales, her permissible exports were liable to reduction in proportion. If, on the other hand, her purchases of raw cotton exceeded that figure, she was given a “bonus” in the form of additional exports to India up to 400,000,000 yards. At the same time the duties levied on Japanese exports to India of cotton goods were lowered to 50 per cent *ad valorem*.

The Protocol of this agreement, containing the clauses relating to exports and rates of duty, expires in March 1937, and in July 1936 negotiations opened at Simla for the conclusion of a new agreement which would regulate the important trade between the two nations for a further term of years.

Events concerned with Japan's trade relations with India were repeated in the case of the Dutch East Indies, Australia,

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New Zealand, South Africa, and other countries. In market after market interests of first-rate importance were placed in jeopardy by the trade war. And disputes were not always settled with the same degree of statesmanship as was shown by the British, Indian, and Japanese interests concerned in the case of India.

In her international trade both in cotton and rayon goods, Japan has suffered from her very efficiency, which has enabled her to make startling reductions in prices.

Thus :

In June 1929 it required 61.2 male and 218.9 female operatives to work 10,000 spindles for one day in Japanese cotton-spinning establishments. The wages amounted to 362.93 yen. As the rationalization progressed, the number of operatives was reduced in December 1932 to 31.9 male (52 per cent) and 164.1 female (75 per cent) workers. The wages paid decreased to 48 per cent or 174.29 yen.¹

Further :

As labour costs occupy about a half of the cost of production in the Japanese cotton-spinning and weaving industries, this economy in labour costs is bound to affect the cost of production. . . . Thus if the average daily wage per operative in June 1929 (1.29 yen) is taken at 100, that for December 1932 stood at 81, whereas the aggregate wages dwindled to 48.

In the case of artificial silk, another important Japanese export, it is the same story.

In 1933 Japan became the second largest rayon producer in the world, with an output of 80 million pounds. The Japanese artificial silk industry is only ten years old. But during this brief period it has been able to add 100 million yen in value to the annual industrial produce of the Japanese Empire and absorb 30,000 workers in its factories. Such a new record has not been realized without untiring efforts on the part of the manufacturers. They reserved 60 to 70 per cent of their profits for further improvement of technique, and have been able to cut down the cost of production by more than 40 per cent in the course of three years.

It must be noted here again that in the rayon industry the reduction of costs is more due to improvement in technique and rationalization than to pressure upon wages. This is testified to by

¹ *The Secret of Japan's Trade Expansion*, by Isoshi Asahi, International Association of Japan.

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the comparison of the wage index in the rayon industry with the index figure of the cost of production. The index of nominal wages in March 1934 is 80 (taking the first half of 1929 at 100), whereas the index of the cost of production is 48. In discussing wages, however, one should not overlook the fact that while the nominal wage index for November 1933 was 94.6, the real wage index increased to 119 (1929 taken at 100).¹

In other departments of industry, rationalization produced equally striking effects. In 1922 it took thirty days to overhaul a steam locomotive. Today the task is completed in five days. In coal-mining, production per head rose from 150 tons in 1929 to 218 tons in 1932, and this despite the introduction of Government supervision in regard to hours worked and the fixing of maximum hours at ten per day. In the china industry, one factory reduced the number of different varieties manufactured from 2500 varieties in 1920 to 950 in 1933, making possible a big reduction in the cost of production per unit.

The same thing is true of Japanese exports generally; the lowering of prices which has so alarmed other countries has been accomplished mainly by thorough-going rationalization and not by reductions in wages, though it remains doubtful, to say the least, whether, in the improbable event of the disunited cotton, artificial-silk, and other industries in Britain and elsewhere achieving the same measure of reorganization, similar results could be obtained.

One cannot see the 200 separate firms in the Lancashire cotton industry effecting such combinations that the number will be reduced to 70, and those 70 subjected to strong central control imposed upon the whole industry, as in Japan. Nor, to be fair to the Lancashire employers, can one visualize the day when the Lancashire trade unions agree to the percentage of male operatives employed being cut down from 35 per cent—the Lancashire figure—to 15 per cent, as in Japan, where 85 per cent of all operatives are young country girls, the bulk of whom are paid about 1s. 6d. per day. Finally the day is probably far distant when those same unions will agree to British operatives tending eight ordinary looms, or from thirty to forty

¹ *Ibid.*, pp. 38, 39.

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automatic looms, per head, which is the practice in the Japanese cotton industry.

Until that day dawns, Japan will continue to produce cotton goods cheaper than Lancashire—and that county will remain convinced that it is not quite fair.

Japan was in a favoured position to carry out the sweeping rationalization indicated above.

Factory development in that country dates from the importation, in 1859, of 6000 cotton spindles from England and their installation in a mill near Kagoshima, in southern Kyushu. Opening her doors late in the industrial day, the small-scale industries of Japan could not stand the competition of Western goods produced with superior machinery. They were driven out of business. The Japanese are quick learners; by discarding industries which other people could run more profitably and concentrating on those best suited to conditions in that country, she outstripped the older industrial nations.

Even so, her industrial advance would not have assumed the proportions of a triumphal progress had it not been for the World War. That conflict influenced her development to a degree not fully appreciated in Europe. It was, indeed, the starting-point of the speeding-up process which has made her so formidable a competitor, so far as the cheaper grades of manufactures are concerned, in world markets.

Prior to 1914 Japanese industry relied to a marked degree upon Germany—for the instruction of her experts in technology, for supplies of chemicals and other specialized products. 1914 changed all that. To replace supplies no longer obtainable from Europe, Japan started plants of her own, and her experts—separated from the technical schools of Berlin by the “ring of steel”—were forced to get along by their own unaided efforts.

Moreover, in addition to supplying her own growing demands, Japan was flooded with orders for the Allied countries. With characteristic energy, the Japanese proceeded to make the most of the chance which the war gods had sent.

According to J. Inouye, the Japanese banker who was assassinated some years ago, Japan was on the verge of bankruptcy when 1914 dawned. During the next four years



HOME OF AN EMPEROR

Ancient walls of the Imperial Palace at Tokyo showing the moat and a pavilion inside the grounds



ASIA'S "STAFF OF LIFE"

Planting rice, staple diet of the Japanese nation

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she expanded her exports so successfully that by 1918 28 *billion* yen had been added to the national wealth. In that short space of time her capital investments had increased from 10 million yen to 356 millions ; shipments of pig-iron grew from 240,000 tons in 1913 to 690,000 in 1918 ; of steel from 250,000 tons to 530,000. Further, prices soared—in the case of raw silk from 800 yen a bale to 1400 yen, and cotton yarn from 100 to 400 yen.

There was no talk of a “Japanese trade menace” in those days when a tidal wave of prosperity struck Japan ; then her growing exports were referred to as a noble service to the Allied cause. For four years the Japanese nation dwelt, if not in the Heaven of which they dream, at least in its ante-chamber. Much of the wealth which was not blown to pieces on the Western and Eastern fronts flowed into her pocket, so that by the time the news that an Armistice had been signed and the Golden Age was no more reached Tokyo, and prices tumbled, her holdings of gold and foreign investments had risen from 810,000,000 yen to 4,000,000,000.

With 1920 came the first post-War depression. By the end of 1922 those gold reserves in the vaults of the Bank of Japan had dwindled to 576,000,000 yen—less than when the war began. Prices obtained for exports slumped heavily ; trade slackened. And on top of these things came the great earthquake of 1923, which blotted out Yokohama and destroyed more than half of Tokyo. Japan repaired that damage in five years, borrowing £25,000,000 from Great Britain, and a similar sum from the United States, in order to recreate the port of Yokohama and the capital city on the magnificent scale which is to be seen today.

If the drain of gold from the national bank had been severe, however, the Japanese industrial concerns still retained huge assets in the shape of profits made during the boom which had prudently been placed to reserve. Faced now with a changed world, the Japanese nation decided that something dramatic must be done and plumped for complete rationalization. The word went forth that Japan must maintain the position won, and provide employment for its expanding population by equipping its factories with the most up-to-date machinery obtainable, and organizing its

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whole industrial structure with a single eye on competing with other nations. There followed the most thorough-going and dramatic reorganization ever carried out by a nation.

No objection was raised by Japanese workers, only 125,000 of whom were members of trade unions,¹ to the scrapping of old methods and old machines and the installation of new. Japanese inventors got busy, with striking results. A dozen new machines for weaving cotton were perfected, the most important being the Toyoda automatic loom, the patent in which for the British Empire was bought by a Manchester firm. The sight of Japanese looms invading the British market must have caused a few grey hairs in Lancashire; but the Japanese were too busy to worry very much about that fact.

Equally important for Japan, a sincere attempt was made to eliminate or reform those profiteering firms which, by selling "cheap and nasty", were damaging the national trade-mark—"Made in Japan".

This social development, entirely alien to the true national spirit, was "liquidated" by the Japanese Government enforcing a strict control over industry. In a few years the beneficial results of that policy became apparent; the "cheap and nasty" merchants had disappeared, and in their place were sound mass-production industries, organized on large-scale lines, and rationalized to the last inch.

Thus the competitive strength of Japanese industry may be traced directly to her efforts to supply the Allied countries during years when their whole productive capacity was engaged in the production of war material, a fact which accounts for some of the bitterness felt in Japan when trade "reprisals" are taken against them now.

The Japanese contend that there is no need for reprisals—there is plenty of room in the world for the products of all its factories if only that world is properly organized and purchasing power raised to the Japanese level.

The most important industries in Japan, from the point of view of exports, are cotton, wool, silk, and rayon textiles, which account for half her total exports.

¹ In 1923 there existed in Japan 432 unions with a membership of 125,551. Ten years later there were 906 unions with 376,000 members, representing only 8 per cent of Japan's industrial workers. Since that date the "national emergency" has discouraged union action as "unpatriotic".

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It is estimated [stated Mr. Sanji Muto] that of the world's population, 500,000,000 are completely clothed, 750,000,000 partially clothed, and 250,000,000 not clothed at all; and it is calculated that the cotton industry supplies nine-tenths of all the clothing now worn. These are indeed significant facts for the cotton industry as a whole, and they have an added significance for Japan in that the vast majority of those populations which will constitute the cotton demand of the future lie close to the overseas markets which our industry has already established.¹

In this calculation, reminiscent of the late Mr. Bata of boot fame, may be glimpsed one of the reasons behind the establishment of “Manchukuo”, and the Japanese penetration into North China, and also evidence of the fact, reiterated to all-comers by Japanese officialdom, that if that country does not succeed in passing on the benefits of its “civilizing mission” to the Chinese inhabitants of those regions, and lifting the standard of living there, it will have failed in its aim.

Something has already been said concerning the Japanese worker, but in view of the importance of understanding both his conditions and his outlook upon life, a few more facts concerning the human factor behind those cargo-boats which leave Japan every day loaded with merchandise for the ends of the earth should be added :

Japanese labour organization and rationalization in factories are impressive, but still more impressive, I have found, are the Japanese workers. Active, enthusiastic, happy, and efficient, they are a very intelligent people, and I consider them to be the most valuable capital in the Japanese nation.

Thus Mr. F. Maurette, Assistant Director of the International Labour Office, as reported in the *Japan Advertiser*.²

To which I would add that, of thirty-eight countries, conditions in which are known to me from first-hand experience, only in Soviet Russia does one find, among the urban proletariat, enthusiasm, patriotism, and a pride of service equal to that displayed by the mass of Japanese workers.

Nor is the coupling of those two nations, with divergent

¹ *Contemporary Japan*, September 1932.

² April 21, 1934.

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creeds, at all strange. Both Bolshevism and nationalism of the Japanese brand inculcate in their adherents something of the quality of a Crusader. In Japan, industry and frugality have been diligently cultivated virtues for centuries, and the average Japanese likes to think that by his daily work he is enhancing the prestige of his nation and the glory of his Divinely-descended Emperor.

If the true transformation achieved by Communism in Russia can be measured in the statement "Not mine for me but ours for us"¹, then the keen determination of the Japanese workers to leave no effort unmade to ensure that their country shall prosper in the international race for trade is its counterpart. The mutual antipathy between the two races arises not from divergent characteristics but diametrically opposed goals and an unfortunate geographical propinquity.

As I have stated, every factory in Japan possesses its shrines, where the workers pray that they may be diligent and industrious. One illustration of this spirit, and its effect upon the industrial fortunes of Japan, may be cited.

The author once saw a pair of votive stone lanterns dedicated to the tutelary gods of a certain silk filature [states Isoshi Asahi].² On one of these lanterns were engraved the characters "On the Occasion of the Fulfilment of Prayers for Producing Articles of Superior Marks". The other simply bore the date of "The Propitious Day of May 1933". The explanation the author got was that early in 1933 the girls of this filature (one of about fifty controlled by the same company) resolved that they would produce silk yarn of the highest quality within the year. Every morning and evening the girls came to the shrine of the tutelary gods in a corner of the mill compounds to pray that their vows might be fulfilled. The prayers were soon granted. The filature was numbered among the few that could turn out yarn of that specific quality. In gratitude for this the girls collected money from among themselves and had these lanterns erected for the benefit of those who might come to the shrine when it was dark. The lanterns are therefore lights in the dark literally and figuratively.

The same spirit is responsible for the innumerable competitions held in Japanese factories, and also in Government

¹ Quoted by Walter Duranty in *I Write as I Please*.

² *The Secret of Japan's Trade Expansion*, p. 51.

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offices, and for the prizes distributed from time to time by many Japanese companies to workers who have produced better articles or raised the rate of production. All of which may be desirable or not from the British trade union standpoint. What matters is that it exists—and should be taken into consideration in any attempt to discover the reasons behind Japan's industrial expansion.

Regarding wages, it is difficult to make a fair comparison between Britain and Japan. To quote mere wage-scales proves nothing in view of the widely differing standards of civilization and cost of living between the two countries. It can, however, be said that wage-rates have risen in the past twenty years, the index figure having advanced from 100 in 1913 to 242, measured in money, in 1934, or 142 when that figure is adjusted to “real wages” by taking purchasing power into account.¹

Discussing this question of real wages in Japan, *Industrial Labour in Japan*, published by the International Labour Office, Geneva, states that these increased by almost 50 per cent between 1926 and 1930. That report adds that :

The real wage index has shown a steady tendency to rise during the entire period from 1926 to 1930. . . . It may serve to suggest the fact that the standard of living of the Japanese workers is being raised by the gradual rise in real wages.

Perhaps as good a method as any by which to judge working-class conditions in any country is to discover what percentage of his earnings a typical worker has remaining at his disposal after paying for necessities.

An investigation carried out by the Japanese Government showed that the average Japanese industrial worker could supply his family needs for housing, light, fuel, clothing, food, and “cultural wants”, and have left over about 12 per cent of his earnings.

“Japanese workers do not spend on necessities of life as much as workers in other countries do,” states Isoshi Asahi, who is a former Japanese Vice-Consul in London. “If this is not a sign of a higher standard of living, what else is ?” To which thrust the Westerner may reasonably retort that

¹ Figures published in *Asahi Shimbun*, Tokyo.

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to call beef "four-legged stuff", as the Japanese once did, is no proof that rice and fish form the ideal diet for industrial workers, or that such a standard is not susceptible to improvement.

Turning to hours of work, the average working day of the 1,750,000 workers employed in factories with more than five workers have, since 1930, been 9 hours per day. In the cotton-spinning industry the working hours were reduced to 8½ in 1930 and in the silk filatures to 10. The maximum hours of work for the 200,000 miners of Japan are laid down at 10 hours in the pit ; in actual practice, however, the working day is more often 8 hours. 520,000 transport workers toil for slightly over 8½ hours a day. Under Japanese law, all juvenile workers (under sixteen) must enjoy two rest-days per month, but no legal provision exists in regard to adults. In this respect, although two rest-days per month for all workers is the rule observed in many factories, Japanese social legislation is notably backward.¹

Finally, further reference may be made to the practice, more or less general in Japan, of providing dormitories or "compounds" within the factory premises in which live the unmarried workers of both sexes. This custom, to which brief reference has already been made in an earlier chapter, obviously lends itself to misrepresentation abroad. It is simple to speak of Japanese workers "living, eating, working, and sleeping within the same four walls like slaves". Simple, but not quite correct.

Industrial Labour in Japan has the following to say concerning the dormitory system as it exists in Nippon :

A number of descriptions of conditions in the dormitories have been published, but unfortunately the official reports are not very recent, while the accounts of private observers are in some cases vitiated by superficiality, or preconceived ideas, or written too long ago to give a picture of the present situation. However, a particularly detailed and objective account of the dormitories was published in 1929 by Mr. Arno S. Pearse, of the Master Cotton Spinners' Federation of Great Britain, and may be considered to be a fair presentation of existing conditions.

¹ A Census of Labour conducted in 1927 showed that the weekly rest system was observed in 18 per cent of all factories, affecting 43 per cent of all workers. In this respect Government-owned factories set a praiseworthy example to privately owned enterprises.

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This writer visited the dormitories of a number of the larger mills and formed the opinion that, in all the big combines, the girls are better housed and fed than they would be at home.

Some of the dormitories visited by Isoshi Asahi, author of *The Secret of Japan's Trade Expansion*, were “better appointed than his own home”. One which he went through in Osaka was equipped with modern appliances such as running-water washstands, flush water-closets, tiled bathrooms, large and sunny toilet rooms, some of which are not commonly seen in the lower middle-class houses in Japan. Some had central heating. All had electricity. In all cases *tatami* (mats stuffed with dried rice straw on which the Japanese, high and low, squat or sleep) were clean and spotless. Bedding and quilts were soft and clean. There was nothing which was unclean.

In the light of these facts, most of which are confirmed by my own experience or vouched for by independent foreign witnesses, what are the conclusions to be drawn concerning Japan's industrial advance and the “menace” represented by those three simple words “Made in Japan”?

Three points emerge which, in the opinion of those who know Japanese industry best, form together the crux of the problems arising out of Japanese industrial expansion in recent years.

The first is that it is unfair, to say the least, to dismiss the fruits of Japanese organization, enterprise, and skill as “unfair competition” or the results of sweated labour conditions. The Japanese were forced by events and a rapidly increasing population to enter the industrial field. Having taken that decision, they embarked upon the task of making Japan supreme in certain “key” industries with a thoroughness which has secured for them a predominant position in the countries of Asia, and made serious inroads into the trade of the Western nations in their own markets.

In achieving this measure of success, Japan has been helped enormously by the modernization of her factories carried out without any regard for vested interests, and by the skill and discipline of her admirable workers. But, when all allowance has been made for that fact, it remains true that she has been assisted even more by what has been termed the “rice standard”—that is, by the simple standard of life

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to which the Japanese are, as a race, accustomed. It is this factor, entirely new in the competition between industrial nations, which accounts for many of the charges made against Japan, and for many of the fears entertained elsewhere. As the Federation of British Industries put it, in a recent report :

In plain words, unless rice is made equivalent to beef, the beef standard will cease to exist so far as many industries are concerned.

Precisely. What is the solution of that problem ? For if the British worker is entitled to his meat dish once a day, the Japanese worker is equally entitled to the bowl of rice which is his preference. It would be unreasonable to expect Japan to introduce a Western wage standard into her factories without regard to national habits and needs. What is a "Western standard", anyway ? The scale of real wages in Japan is already equivalent to that in Italy or Poland—two European nations which are, from the point of view of labour conditions, most backward.

None can deny that Japanese industry will not fully conform to British conceptions until the troubles of spoon-fed enterprises are overcome, and the wage-rates, already rising, rise still higher. At present the lion's share of the profits of her expanding trade go to the State and the employers—a system more advantageous to Baron Kichizaemon Sumimoto, whose income is nearly £200,000 a year, than for the men and women whose toil contributes directly to the great Japanese industrial fortunes. If existing wage-scales are high enough to avoid malnutrition and keep the docile and disciplined Japanese workers happy, it remains true that they have had little opportunity of developing a taste either for leisure or possessions. Attention to this aspect of modern Japan might do much by increasing the consuming power of the internal market.

It is equally true that the successes of Japan's industries, sweeping though they have been, are confined to the cheaper lines of goods. Japan can build good ships, locomotives, and machinery, but she cannot compete with the West in these "lines". Not yet. Whereas she can and does sell *sarongs* in the bazaars of Malaya, more colourful and attractive to the

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eye than the Lancashire product, at one-third of the Lancashire price.

So far as the vast cheap markets are concerned, the “rice standard” starts with an enormous advantage. The nations of Europe and the United States, faced with this dilemma, have two possible courses of action. They can either come to terms with Japan for an equitable sharing of markets, and the development of new sources of international trade by measures calculated to raise the purchasing power of backward peoples ; or they can fall back upon their own resources and retire behind tariff walls which will at least preserve their own markets from the Japanese “invasion”.

During recent years a mixture of both methods has been tried, but there are signs that, in the end, wisdom will prevail, and that Japan, an important customer of many countries, may be permitted to sell as well as buy. It is improbable, however, that anything can prevent that nation from dominating the potentially vast Asiatic market in which her geographical position and lower costs of production—not to mention the activities of her militarists—give her a pronounced advantage over her rivals in the scramble for orders.

Having started out along the road to industrial power, Japan could not turn back, even if she wanted to, without disaster. To the problem of feeding her population she has now added the further problem of feeding her machines. Her industrial expansion will either make or break her ; she must go forward at all costs.

When a highly disciplined and regimented nation such as Japan is once realizes that fact, she fights—and fights hard.

For this reason—because Japanese machines must be fed as regularly as Japanese citizens—and because the future of one of the most energetic races on this planet is inextricably linked with the progress of her leading industries, that little phrase “Made in Japan” will remain a prominent feature of the commercial landscape.

The passing years may, indeed, prove that my friend in Tokyo was right when he remarked, with reference to that country’s amazing industrial progress since 1918: “Just wait. Japan hasn’t started yet.”

CHAPTER IV

JAPAN'S "SPOKESMAN" SPEAKS

THE most-quoted man in the Japanese Empire is Mr. Eiji Amau, former Japanese Consul at Canton and Harbin, Chargé d'Affaires at Moscow, and for nearly four years past the Spokesman of the Japanese Foreign Office.

Three times weekly Mr. Amau receives representatives of the foreign Press, informs them what the Japanese Government is thinking (officially) concerning events in the Far East, and replies to their questions.

Every day, almost, Mr. Amau receives representatives of the Japanese Press and gives them a "lead" on the patriotic line to take in Press comments concerning contemporary events in Asia.

"An official spokesman of the Foreign Office states . . ." Whenever that statement appears in Press despatches from Tokyo you may know that the omnipotent Eiji Amau, suavest and most persuasive of diplomats, has been busy telling the world, via Hugh Byas of the *Times*, Chamberlin of the *Christian Science Monitor*, Whiting of the *Daily Telegraph*, Frank Hedges of the *North American Newspaper Alliance*, and the rest of the foreign correspondents at Tokyo, just as much or as little as the Japanese Government considers it necessary that the world should know.

Not that the world, or even the Japanese Press, always broadcasts the gospel according to Eiji Amau. There is more freedom of the Press in Japan than in any other autocracy in the world, and attacking the Government is as sure a method of piling up circulation in Tokyo as in London. But whether Amau is praised or reviled, he is never ignored, if only because his statements make news. Whether the big story of the day is the doings of General Doihara, or smuggling in North China, some incident on the Mon-

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golian border, or Japan's naval programme, the mouthpiece which proclaims Japan's aims and views is the Official Spokesman, who sits, behind horn-rimmed glasses, at his desk in the Foreign Office and proves, over and over again, that Japan is the most reasonable and patient of all the nations on earth. The Prime Minister, Foreign Minister, Elder Statesmen, and General Staff may also have opinions. From time to time they express them—especially the Generals! But when the Japanese Government machine is functioning as it was meant to function by Divine will, they emulate Brer Rabbit to perfection. After all, what is the use of having an Official Spokesman—who is never guilty of indiscretions—and then talking yourself?

Once upon a time even the correspondents at Tokyo were scarcely aware that there *was* an Official Spokesman, anxious to interpret anything, from Stalin's latest speech to Japan's desire for peace and prosperity throughout Asia, for the benefit of the world's Press. But that was before Manchuria stole the headlines, before the Japanese army blew Chapei off the map, before that nation withdrew into splendid isolation, or the flag of Nippon flew over parts of Inner Mongolia and Japanese gold and guns did their work in Northern China. Today the Official Spokesman, if not a man of destiny, speaks for the men who hold the destiny of Eastern Asia in their hands. Hence those despatches in the Press under Tokyo date-lines beginning "The view held in official circles here is . . ."

The late Marquis Kinichi Komura began the good work of "talking Japanese to the Press"; Mr. Yosuke Matsuoka, present President of the South Manchurian Railway, was once official spokesman. So was Mr. Hiroshi Saito, present Japanese Ambassador at Washington, and Mr. Toshio Shiratori, Minister to Sweden. Mr. Hirota, Prime Minister of Japan, was at one time a section chief in the Intelligence Bureau. Each did his best to state Japan's policy to the world. But it was left to Eiji Amau to make history.

With the invasion of Manchuria the Official Spokesman came into his own. The twenty or so foreign newspaper-men who meet Mr. Amau tri-weekly, listen to his interpretations of events, and cable his views all over the world, represent newspapers that reach one hundred million breakfast tables

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every morning. It is Eijo Amau's job to see that they get the right news, and in the course of that duty the representative of the Tass Agency of Moscow is received, and his questions answered, with the same courtesy as is extended to the representative of the London *Times* or the Tokyo *Nichi-Nichi*. Viewed from Mr. Amau's room at the Foreign Office there never was, and never will be again, any nation that so completely loved its neighbours as itself!

On the first occasion that I met him, over a luncheon-table at the Tokyo Club, I imagined that Eiji Amau owed his appointment to the fact that he could be implicitly relied upon never to admit that anything good could possibly happen in Soviet Russia.

Later I realized that that view was incorrect. He was, undoubtedly, appointed Official Spokesman because of his sweet reasonableness in all circumstances, his sense of humour, and his devastating smile. If, as is often stated, the Japanese do not understand the art of propaganda—and many Japanese rather boast about that fact—then Eiji Amau is an exception among his race. He can prove to the complete satisfaction of any but the most hardened of League enthusiasts that in enabling the downtrodden and victimized population of Manchuria to free themselves from the slavery of Chinese war lords, Japan was acting in accordance with the most sacred principles of self-determination. He speaks with true feeling of the "traditional" friendship between Japan and China, and, sorrowingly, of the fact that the Japanese army should have been obliged to "show itself" in Northern China solely in order to prevent conspiracies against Manchukuo—"Japan's ally"—from being hatched along the borders of that State.

To Mr. Amau nothing prevents the dawn of an era of friendship and mutual regard between China and Japan but the duplicity and pig-headedness of insincere and grafting Chinese Governors, Generals, and officials. Whenever he speaks of China, whether in public or private, it is in accents of friendship. He once expressed to me his opinion that the Chinese are the Jews of Asia, "making money out of every nation that tries to help them or do business with them", but he meant nothing derogatory and went on to express his wholehearted admiration for the stamina and endurance

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of the Chinese traders, whom he referred to as "the supreme merchants in history".

Antagonism on the part of the Chinese Government towards the Japanese hurts Amau as much as did the refusal of Great Britain and the United States, at the London Naval Conference of 1935, to agree to parity in naval armaments between the three Powers. Japan wanted smaller navies and proposed parity as the first step in that direction; Britain and the United States would not agree. Thus the issues appear to the Official Spokesman at Tokyo.

Eiji Amau is a man of many hobbies. He became an expert poker-player while in the United States, perhaps as part of his training for dealing with the Russians! He exhibits considerable skill at writing *dodoitsu*, or limericks, and *haiku*, or seventeen-syllable verse, while, as befits a diplomat who spends his life trying to decide what the other fellow is thinking, he has few equals as a chess-player, having won a championship in competition with adults while still a young boy. Add to these qualifications of the successful diplomat his disarming smile, the fact that no one ever knows what he is thinking—but only what he *says*—and it will be seen that Eiji Amau takes diplomacy seriously.

Such is the Official Spokesman at Tokyo today. Eiji Amau has, by common consent, delineated the foreign policy of the Japanese Government more faithfully and brilliantly than any of his predecessors. Few Japanese of his generation have a wider knowledge of world affairs; Eiji Amau knows not only Nanking, Canton, and Moscow, but also Washington, Paris, and London, and can debate any international question with an adroitness which commands admiration from the "oldest hands" among the foreign Press representatives in Asia. More than anyone else, unless it be Mr. Hirota on the occasion of his rare public statements, the Official Spokesman is the Keeper of the Conscience of both Emperor and People of Nippon. To him, accordingly, I went when, in the early weeks of 1936, I desired to secure the views of the Japanese Government on various matters concerned with the present and future relations of Japan with her neighbours, and with the world generally.

Following several general discussions, I was invited to dine with Mr. Eiji Amau and certain experts on his staff at

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the Tokyo Kaikan, the fashionable Japanese evening rendezvous, at 8.30 p.m. on February 25, 1936.

Amau is a delightful host, brimming over with affability. When we settled down to *sukiyaki* and *saké*, he was in a light-hearted and reminiscent mood. One of the best of the anecdotes he related that evening, I recollect, concerned the publication of one of Dr. Marie Stopes' books on birth-control in Japan at the time when the Versailles Peace Conference was sitting. The Japanese publisher of the book thought of the bright idea of sending copies to the Japanese delegates to the Conference, and the volumes were duly acknowledged in formal letters which said that the delegates (who included the Japanese Ambassadors to London and Paris) were much interested to receive them. Imagine the feelings of the delegates when, upon returning to Japan at the conclusion of their labours, they found full-page advertisements in all the leading Japanese newspapers, displaying boldly their photographs and, equally boldly, a statement that they were reading *Wise Parenthood* with the greatest interest and attention!

Another of his anecdotes was in grimmer vein. When he was Japanese Consul-General at Harbin, in Manchuria, three Chinese decided to travel to that city and murder him. The first that Amau heard of the affair was when he was informed by the police that the men had been arrested, and had made a full confession. Inquiring into the matter, he learnt that they had reached Harbin without incident and might very well have carried out their intention of robbing Japan of one of her ablest younger diplomats had it not been for the fortunate fact that, alighting from the train at Harbin station, one of the conspirators had *dropped his revolver*. Whereupon the three had been detained by the railway police and searched. Two more revolvers were found, and all three confessed.

Perhaps his best anecdote concerned a dinner given to a group of diplomats at the Foreign Office, at which someone suggested that the handsomest man present should pay the bill. Whereupon the guest possessing the homeliest face of them all said quietly: "This is embarrassing . . . I forgot to bring any money with me."

Not until the coffee-and-cigar stage of the meal had been

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reached did Amau the delightful host become Amau the Official Spokesman and mouthpiece of the Japanese Government in its relations with world opinion. Then only did he express his willingness to answer any question concerning Japan and her attitude to world affairs which I might care to put to him.

My questions, and Mr. Amau's replies, are here given verbatim :

Question. What is the future of China—political and economic—as visualized by Japan? And what are Japan's aims in that country?

Answer. Judging by the past history of China, it is impossible to predict the future of that country. Just as thirty millions of Chinese are benefiting from Manchukuo rule, so the pressure for autonomy in Northern China will, when autonomy is secured, not only prevent that region from being utilized as a base against Manchuria by disaffected remnants of the Chang-Tso-Lin faction, but will benefit mainly the Chinese living north of the Yellow River.

Japan's aim in regard to China has invariably been and shall ever be governed by the axiom of "live and let live". Japan will not interfere by force unless Japanese interests and property are threatened. The "Blue Shirts" (Chinese G.P.U.) and remnants of the old gang are working against the interests of Manchukuo, a new State with which Japan has concluded a military alliance. When working in the open by force, these elements are easy to control, but when working underground by promoting boycotts, assassinations, etc., they become more dangerous to the peace and security of Japan and Manchukuo alike. Japan cannot be indifferent while hostile forces mass along the frontiers of Manchukuo.

Question. Does Japan rule out force as an instrument of political policy in China?

Answer. Japan certainly rules out force as an instrument of national policy. It is solely when she is constrained by the absolute necessities of self-defence that she employs her armed forces in China. Japanese armies were sent to Manchuria and Shantung because emergencies in those regions threatened the safety of Japan and Japan's legitimate interests. On both occasions the issues at stake, and the degree of emergency, were greater than when, on more than one occasion, Great Britain had considered it necessary to send troops to Shanghai. Japanese policy in this respect is the same as the British.

Question. What aims, if any, has Japan in regard to Outer Mongolia, Sinkiang (Chinese Turkistan), and the Border States?

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Answer. This is the very question Japan would like to ask Soviet Russia—and Great Britain. Russia admits and claims a special interest in Outer Mongolia. Japan's aim is to reopen trade with that country, which was closed to international trade in 1924 by order of the Soviet. Manchukuo and Japan alike demand that the principle of the "Open Door" should be observed, not only in China or Manchukuo, but in Mongolia also.

Question. Has Japan any grievances against the present régime in China in regard to the International Concessions and extra-territoriality in that country?

Answer. Having suffered from the bitter experience of unequal treaties herself, Japan sympathizes with Chinese aspirations in this regard. She, however, deprecates the illegitimate method of seeking their abolition which, as employed by the revolutionary diplomacy of the Kuomintang Party, is characterized by force and violence. Stable and orderly administration is, obviously, a necessary pre-condition to the abrogation of extra-territoriality or the return of the foreign concessions to Chinese control. China is suffering from indigestion in the form of civil wars and internal strife. She may have savoury dishes placed before her in the form of the abolition of unequal treaties, the restoration of concessions and the giving up of extra-territoriality. But if she is to enjoy these dishes, she must first cure herself of present maladies or she will suffer worse things in the future. Japan never abolished unequal treaties affecting her country by force. We ask the world—and China—to remember that fact.

Question. Are Japanese aims likely to interfere with existing rights and privileges of other foreign Powers?

Answer. Japan's aims do not interfere or clash in any way with existing rights of other Powers in China or elsewhere. Japan does not aim at the exclusion of foreign interests from Eastern Asia, but in shouldering the burden for the maintenance of peace and order in East Asia, she would share the burden with the Asiatic Powers, remembering that peace in Asia has been maintained precisely because Japan has acted as a watchdog there in the past.

Question. How explain the "Asia for the Asiatics" propaganda first launched at Nagasaki in 1927? Is this the policy of the Japanese Government?

Answer. The Pan-Asia Union, or "Asia for the Asiatics", movement is, I know, discussed abroad, but little heard of in Japan. It has never been sponsored by the Japanese Government, and does not represent the views or aims of that Government. On the other hand, doctrines exist elsewhere which imply racial discrimination against Japan, such as the Monroe Doctrine in America and the "White Australia policy" in the Antipodes. And Russia, of course, encourages the views propounded by the Third International.

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Question. Does the Tanaka Memorial—so-called—to any degree represent Japanese official opinion, either military or civilian ?

Answer. I have not read the "Memorial", which, as has often been declared, is a fabrication, pure and simple. It does not represent the opinion of either the Japanese Government or any Japanese of standing ; if it represents any opinion at all, it must be that of the forger's himself. The history of this "Memorial" has brought home to us the fact that, by dint of constant propaganda, a fiction can be presented as a truth.

Question. What is the Japanese view concerning the possibility of turning the Chinese millions into consumers ?

Answer. This is solely a Chinese affair. The Chinese will turn consumers by themselves if they are given the opportunity by the unification and stabilization of their country. Chinese diligence and resources will create purchasing power, at present held in check by internal rivalry, Communist activities, and the obstruction of trade for political reasons. In a positive as well as a negative sense, Japan is constantly working to raise the purchasing power of the whole of Asia, and we hope that by setting her house in order and attaining statehood, in its true sense, China will one day become a healthy, prosperous, modern State.

Question. What is Japan's attitude to the U.S.S.R. ? Is it part of her foreign policy to prevent a Sino-Soviet alliance ?

Answer. Japan desires to establish and promote friendly relations with the U.S.S.R. How far that is achieved depends mainly upon the attitude of Soviet Russia itself. Outstanding frontier incidents must be settled and their repetition prevented, and a whole string of impending questions between the two nations need clarification and settlement. It is more useful to dispel all possible causes of aggression and conflict than to sign any mere scrap of paper. With regard to the question of a Russian-Chinese alliance, Japan regards that as an impossibility ; the problem of averting it does not therefore arise.

Question. Could Japan, if necessary, hold Russia in check in Eastern Asia ?

Answer. If Soviet Russia infringes or threatens any of Japan's rights and interests in Eastern Asia, or threatens her existence, Japan will have to prevent it.

Question. Does any military "understanding" exist between Japan and Germany, as reported from Europe and widely discussed ?

Answer. The alleged report of a German-Japanese military understanding lacks any foundation in truth. It has been constantly denied, both in the Wilhelmstrasse and here in Tokyo. I deny it again.

Question. What is the view of the Japanese Government concerning the subject of an examination and redistribution of the world's

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natural resources, referred to in a recent speech by Sir Samuel Hoare in the British Parliament, and discussed also by Colonel House of the United States in a recent article ?¹

Answer. It is highly gratifying for the cause of world peace that the statesmen of Great Britain and other nations have begun to pay serious attention to the necessity of redistributing raw materials and colonies and opening new markets. Such a step would certainly dispel one of the principal causes for disturbance of peace. The proposal shows a great improvement in world ideas, and, while it may not be realized during our lifetime, it is something towards which all nations should work to effect the permanent peace of the world. At present there are three types of nations : (1) those content with present conditions, (2) those who possess no vitality and are incapable of exploiting the natural resources within their boundaries, and (3) those who possess abundant vitality and are capable of exploiting natural resources, but do not have them, and are shut off from trying to get them.

Question. What is Japan's attitude to the "Open Door" policy in China, first propounded by Mr. Secretary Hay of the United States Government ?

Answer. Japan wholeheartedly stands for and affirms the principle of the "Open Door" and equal opportunity for all, and she does not infringe it, or seek to evade it. It is the League of Nations which acted in contravention of this policy by adopting at the meeting of the Assembly on February 24, 1933, a resolution legalizing the anti-Japanese boycott as a means of reprisal on the part of China against Japan. It is our considered view that a general application in all parts of the world of the "Open Door" policy would operate for the maintenance of world peace and friendly intercourse between nations.

Question. What is the attitude of the Japanese Government to criticism in the Press and on the platform ?

Answer. Public opinion can never be controlled. Past records show that in Tokyo a certain newspaper thrived beyond all its competitors by attacking the Government of the day. It has plenty of imitators in Tokyo at this minute. Freedom of speech and conscience is recognized by a special provision in our Constitution, although military service is compulsory and we do not recognize conscientious objection in that sphere of national life, holding that military service is not an individual decision, but a duty to the State to be shared by all citizens of Japanese nationality. Communism, which is inconsistent and incompatible with the national structure of Japan, is condemned by law, special legislation having been passed by the Diet for the purpose of suppressing it.

¹ See Chapter XVI.

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Question. Is there any truth in the reports among well-informed foreigners resident in China that prominent members of the Kuomintang are in the pay of Japan ?

Answer. There is no vestige of truth in the allegation. Some foreigners would originate and spread any sort of nonsense.

Question. Is it true that in Japan the army and navy chiefs, and army opinion generally, seek to dictate policy in foreign affairs and are, in effect, a super-Government, ignoring civilian Ministers ? How far is the army consulted in external politics, and why ?

Answer. I am aware that misunderstanding exists in Europe and America concerning the part played by the Japanese forces in national affairs. This is largely due to the Japanese Constitution, which placed control of the armed forces, and the issues of war and peace, directly in the hands of the Emperor and not with Parliament, as is the case in Great Britain. The chiefs of the General Staff and Naval Staff in Japan have no voice in formulating foreign policy, not to speak of dictating it. The army or navy, as such, is never consulted in forming foreign policy, but the constitutional practice in Japan is that the portfolios of the War and Navy Ministers are held by a General and an Admiral. Through them, at Cabinet meetings, the views of the armed forces can be expressed and their feelings reflected, although, theoretically, those Ministers give their opinion in their capacities of Ministers of State, and not as members of the Services. Neither army nor navy as organizations interfere in, or have any power over, Government policy, either internal or external.

Question. What measure of control, if any, has the Diet over the activities of the Kwantung army, or other sections of the armed forces ?

Answer. The Diet has no control over the army or navy, these acting solely under orders of the Supreme Command. But the Diet can restrict their activities by voting against military and naval appropriations when these are laid before its members.

Question. Did the Diet sanction action in Manchuria before the army moved in September 1931, or did the Generals act independently in this matter ?

Answer. The above answers this question also. Let me repeat that the army and navy alike are under the control of the Supreme Command, which is responsible to the Emperor.

Question. Can Japanese aspirations be satisfied without violently disturbing the distribution of power and trade in the Pacific ?

Answer. If no undue pressure is brought to bear upon Japan, she will never resort to any action tending to disturb the present distribution of power in that area.

It was 11.15 p.m. when, on the steps of the Tokyo Kaikan, I bade good night to Mr. Eiji Amau and the members of the

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Foreign Office with whom I had dined, and set out to walk back to the Imperial Hotel. The February night was cold and gusty, with the promise of snow to come before morning. Tokyo, for all its six million inhabitants and its title to being the third largest city in the world, was almost deserted at that early hour, for the Japanese have little craving for night life. . . .

I was still pondering over the fact that the Japanese army could invade three provinces of a nominally friendly Power and not be interfering in foreign policy.

Three-quarters of an hour later, as though to provide a suitable footnote to my concluding questions, and Eiji Amau's emphatic replies, some fifteen hundred troops of the First (Tokyo) Division of the Japanese Army, under the command of a bunch of captains and corporals, broke barracks and, having seized the entire centre of the city of Tokyo, including the Imperial Palace, proceeded to register their displeasure with the policy of the Okada Cabinet by murdering, or attempting to murder, Premier Okada, Finance Minister Takahashi; Viscount Saito, Lord Privy Seal; Prince Sionji, Elder Statesman; General Watanabi, the "moderate" Director-General of Military Education; Admiral Susaki, the Lord Chamberlain of the Household, and a few others of the "Elder Statesmen, politicians, bureaucrats, and traitors around the Throne". . . .

It may be, as the Official Spokesman stated, that the Japanese army does not interfere in foreign affairs or internal politics. But the events of that red night proved, almost before Mr. Amau could have sunk into slumber, that it is capable of dropping a pretty direct hint now and then—aided by machine-guns !

CHAPTER V

DEATH KNOCKS AT TOKYO

IT has been said that the last liberty to disappear from Japan will be the right of the army to assassinate any statesman, however prominent, however aged, however honourable, who happens to fall foul of the military and their conception of what is good for the Japanese Empire.

In Japanese politics the bullet is mightier than the ballot, and every statesman or politician who accepts office does so knowing that the odds are five to one against his dying of old age—a fact which explains the amazing indifference, on the surface at all events, of the Japanese people to revolts and crises which could not, in any other country, be “liquidated” without civil war.

The Meiji Restoration, and the Constitution granted to the Japanese people in 1889, theoretically placed power in the hands of whichever political party secured a majority by popular vote, with the sole exception of control of the armed forces and the right to declare war, which were reserved to the Emperor himself. It seemed that the Mother of Parliaments at Westminster had borne an Asiatic child, which would grow to manhood nourished by the precepts of Pitt, Fox, Chatham—and John Bright.

The truth was rather different. In the first place the Japanese people, most annoyingly to Western democrats, continued to believe that the Emperor was wiser than any politician. And in the second place the military chieftains never had any intention of allowing power to slip out of their hands. But for these two facts, perfectly understood in Japan, it would have been impossible, on that February night of 1936, for an Elder Statesman with the record of Viscount Saito, and a Finance Minister such as Korekiyo Takahashi, eighty-two years of age and popular enough to have just won a General Election for a Premier who had neither policy nor personality of his own, to be butchered in circumstances of

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appalling brutality without a ripple of protest from "public opinion".

For the genesis of the "incident" of February 26, 1936, it is necessary to go back to 1900. In that year Prince Ito, one of the original Genro, or Council of Elder Statesmen, which came into being to advise the Emperor following the new Constitution of 1889, became alarmed at the growing power of the military element in the Council, and formed the Seiyukai Party—still nominally one of the two great political parties of Japan.

Prince Yamagata, leader of the military element within the Council, proved strong enough to keep Ito from any real power, and after a few years Ito handed leadership of the party to Prince Saionji. Yamagata similarly delegated his powers to General Katsura, and these two—Saionji and Katsura—followed each other in and out of office until 1914.

Neither group within the Genro was blameworthy for thus adapting democracy to their own ends, for in truth Japanese popular elections have always been corrupt. Votes have been openly bought and sold. Big business has not hesitated to form alliances with the political parties, which increased the corruption. The election held in February 1936, which confirmed the Okada Cabinet in power, and revealed a distinct "Leftward" tendency in the country generally, was characterized by an honest attempt on the part of the police to put down corrupt practices. This was probably the least-corrupt appeal to Demos ever held in Japan; in Tokyo alone so many political workers and voters were arrested under suspicion of illegal practices that when polling-day came it needed considerable courage to enter a polling-station at all!

Yamagata and Ito were autocrats, but at least they were honest men, descendants of the Satsuma and Choshu clansmen who had wielded power since the downfall of the feudal shoguns.

In 1909, however, there occurred an event which proved that in Japanese political affairs disinterested patriotism is not enough. Prince Ito was assassinated. That crime not only made life easier for Yamagata—it disclosed murder as the ultimate arbiter in the political life of Japan. And the ultimate arbiter it has remained from that day to this.

Mr. Hara, the first untitled Premier of Japan, called to

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that high office in 1918, had the honour of dying for his country three years later, when he was assassinated as the penalty for accepting President Harding's invitation to the Washington Arms Conference.

Nearly every one of those concerned with Japan's acceptance of the Washington Treaty has since been murdered for the "crime" of "interfering with the Imperial Right of Command".

Up to the dawn of 1932 assassinations had been isolated, sporadic affairs. In that year patriotic murder was to become a fine art, and the Genro, statesmen, and political leaders were given notice, in terms which could not be ignored, that the alternative of submission to military opinion was government by the gun.

The opening shots in the blood-bath were fired in February 1932, when a group of young fanatics, who loathed internationalism but otherwise were quite respectable, shot down Nissho Inouye—one of Japan's greatest statesmen and the most efficient Finance Minister that country ever had—in cold blood. On the same day Baron Dan, a Mitsui bank official, was assassinated, presumably for his belief that, Japan being in the world, she should try to find a *modus operandi* for living with her neighbours.

Hardly had the shots which killed Inouye and Dan ceased to echo in the Japanese valleys than the people of that country were called upon to "reflect and repent" in earnest.

There are two days in modern Japanese history the story of which should be printed in blood-red in every school text-book in that Empire. They are May 15, 1932—and February 26, 1936.

The "515 Incident" (fifth month and fifteenth day) was carried out by a group of young patriots whose imaginations had been fired by attendance at special courses on nationalism and the glorious destiny of Japan. Dissatisfied with the policy of a Government misguided enough to subscribe to the League of Nations, to sign treaties with foreign Powers, and generally pursue a peaceful policy, nine naval officers on the Active List, one retired, eleven military cadets, and a score of civilians banded together to form "*squadristi*" and take direct action against the Cabinet.

Their plan was certainly calculated to make Japan reflect.

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It included the bombing of the Premier's official residence, the house of the Lord Privy Seal, the Metropolitan Police headquarters, the headquarters of the Seiyukai Party, and the power stations supplying electric light to Tokyo. While this attempt at political education was proceeding, murder-squads were to assassinate Premier Inukai and Count Makino, Lord Privy Seal. Anybody who interfered with this attempt to enlighten Japanese public opinion was to be treated as unpatriotic and shot.

The actual events of that night, if they fell short of expectations, were dramatic enough to warm the heart of the most hardened crime reporter.

Wearing their naval and military uniforms, the non-civilian members of the plot met at a military shrine and there formed two groups, which went their separate ways in taxi-cabs.

The first group had as their objective the Premier's official residence. Arriving there, they shot two policemen on duty, and broke into the house. Upon Premier Inukai entering the room in which they were gathered, Lieutenant Taki Mikami, leader of the group, shot him at point-blank range. As the Premier fell, another military cadet poured more bullets into his body. Inukai died within a few hours.

Success having crowned their arms, the patriots next went to the headquarters of the Metropolitan Police Board, where they threw hand-grenades, and also attacked the massive doors of the Bank of Japan, with little result in either case.

While these events were occurring, the second group attacked the residence of the Keeper of the Seal, but failed to force an entrance. The only casualty there was a policeman who tried to arrest the nocturnal rowdies.

This second group also made an attack upon the Metropolitan Police headquarters. Their hand-grenades failing to explode—a strange fact in view of the general belief in Japan that all the arms and ammunition used had been specially supplied to the murderers from high army sources—they shot up the building with revolvers, wounding a civilian clerk and a Tokyo journalist, who, scenting a “scoop”, had called to ask the police what all the noise was about.

Simultaneously with the activities of these military groups, the civilian members of the Blood Brotherhood had



THE JAPANESE ARMY CAPTURES TOKYO!

Rebel troops in the grounds of the Metropolitan Police Board, seized by Captain Shiro Monaka as his headquarters during the military revolt of February 1936



A THRILL FOR TOKYO'S CITIZENS!

Rebel troops on the march during the short-lived military rising. The new Diet building—seen on the left—was later seized by the mutineers

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into five or six separate groups and scattered over the city to sabotage the electric-light stations. They had no better than their military colleagues with the hand-grenades, most of which failed to explode, but at six power stations the patriots, determined not to be behind in the task of "saving Japan", were able seriously to damage machinery and hammers and other tools seized on the spot.

Such is the bare story of May 15, 1932, in Tokyo. But the most incredible part of the whole episode is yet to come. Exactly a year after this "incident" the Japanese censor enforced absolute and complete silence concerning the whole affair—unkind critics declared in order to afford the time for the armed forces to cover up any tracks suggesting connivance between the murderers and high officers in the army and navy.

When in May 1933 the Japanese Press was permitted for the first time to announce what had happened a year before, the newspapers did not howl for anybody's blood. Almost unanimously, their editorial columns explained that, while violence was to be deplored, there was a difference between violence against a State and violence inspired by patriotic fervor. The latter was a Good Thing, and it would, therefore, be wrong to condemn the killers of Premier Inukai hastily, without taking into full account the purity of their motives!

On the day that the Japanese Press thus made terms with murder, life insurance rates for Japanese Cabinet Ministers rose sharply.

Japanese Prime Ministers remained "bad risks" when in August 1935 there occurred yet another patriotic murder which was destined to have dramatic repercussions a few months later. An officer named Lieutenant-Colonel Aizawa assassinated Lieutenant-General Nagata, Chief of the Military Affairs Bureau and a "moderate" militarist, in the War Office at Tokyo. Nagata, by selecting officers of moderate views for "key" posts, had proved that the extremists within the army ranks could be kept under control, and some sort of concerted policy established between the armed forces and the civilian Cabinet. He also believed (according to the counsel for the defence of Aizawa at the subsequent trial) "a controlled economy and thought it should be operated

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by capitalists", whereas Aizawa and the extremists held the view that all power should be vested in the Emperor. So Nagata went the way of all those who challenge the creed of the extremists within the army.

It was not, however, until about 5.10 a.m. on the morning of February 26, 1936, that Japanese Prime Ministers finally became uninsurable at any price. At that hour Death knocked at Tokyo—loud enough to awaken the world, and not only Japan, to the fact that no modern nation could afford indefinitely to face the risks, the disunity, the loss of statesmen and "face" alike involved in government by the gun.

Tokyo awoke from its slumber on that snowy morn to discover itself "in the news". The biggest story that has come out of Asia since the invasion of Manchuria had happened right under its nose.

"A military revolution. Okada, Takahashi, maybe Saito and half a dozen others assassinated", ran the first reports. It took some time to sift truth from rumour, but one fact was crystal clear. During the night Japanese troops forming part of the Tokyo garrison had revolted and seized the most important section of the city, including the Imperial Palace, Government buildings (except the Foreign Office, which they ignored!), the Central Police Headquarters, General Post Office, Military Staff Headquarters, and other "key" buildings. The cables and long-distance telephones were out of action. Tokyo was isolated from the world.

It looked like a *coup d'état*. Not only did it look like one, but it was one, as subsequent events were to prove.

The uprising was carried out by some 1500 men of the 1st (Tokyo) Division, supported by a few artillerymen and acting under the orders of a group of junior officers, among whom Captain Shiro Nonaka and Captain Teruzo Ando acted as leaders.

The "murder squads" broke barracks, armed with machine-guns, rifles, ammunition, and hand-grenades, in army lorries, shortly after midnight on February 26. Two hours later they had successfully seized strategic points in the centre of the city, including the Palace (and therefore the Imperial Person), and were proceeding to entrench themselves against attack. These events occurred at least four hours before the first assassination was carried

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out, in the heart of the third largest city in the world, the seat of the Imperial Government and the headquarters of the Military High Command. A city, moreover, with a highly efficient police and detective force. Yet no one person in all Tokyo is known to have even attempted to warn Admiral Okada, the Prime Minister, or other members of the Cabinet, of what had occurred. The doomed men were left to be butchered in their beds ere dawn came.

Having seized all of Tokyo that mattered, selected groups of assassins proceeded, at around 5 a.m., to "wipe out Liberal influence around the Throne", or, in plain English, to exterminate all those whose support of the army's expansionist schemes in Asia was in doubt.

It is probable that the first victim to die was Korekiyo Takahashi, veteran Finance Minister. The insurgents broke into his house shortly after 5 a.m., entered his bedroom, and shot at him three times with revolvers.

"What are you trying to do?" asked the Grand Old Man of Japanese finance.

The question seemed to infuriate the officer leading the murderers. He drew his sword and slashed Takahashi, almost severing his right arm. Thus was he left, to die within a few hours.

Almost simultaneously, another group approached the Premier's official residence. There they were challenged by the police guard—the only men in all Tokyo who did their duty on that blood-red night.

Before the rebels burst into the residence, every member of that guard had been either killed or wounded. It was this defence that enabled Admiral Okada to go into hiding and thus save his life. But his brother-in-law, Colonel Denzo Matsuo, who resembled him and gallantly covered his retreat, was slain. The Premier remained hidden, and believed dead, for two days, and returned to "life" at the Imperial Palace on Friday, February 28.

A third group burst into the home of Viscount Saito, the Lord Keeper of the Privy Seal and one of the Elder Statesmen, who was instantly killed, his wife being wounded in an effort to defend him.

The same fate awaited General Jotaro Watanabe, Inspector-General for Military Education, while the

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Grand Chamberlain, Admiral Kantaro Suzuki, was seriously injured.

Another name on the "murder list" was that of Prince Saionji, the closest confidant of the Emperor; but this greatest of the Elder Statesmen was favoured by a premonition of coming trouble (perhaps under circumstances I shall later disclose) and fled for refuge to the house of the Governor of Shizouka Prefecture, thereby undoubtedly saving his life, for the rebels broke into Saionji's house, only to find it empty. The fact that some of Tokyo's largest financiers and industrialists are said to have gone into hiding two days before the breaking of the storm suggests that the existence of a plot was known beforehand in some circles.

During the morning, a detachment of rebel troops visited the offices of the Domei Tsushin, the Japanese news agency, and handed in two proclamations explaining their action, both to be issued to the world as soon as the cables were working. Both proclamations were suppressed by the military authorities acting under the orders of the Emperor.

The first of these statements described the rebels as "double-patriots" and "Soldiers of the Kingly Way". The second may be given in full, if only for the light which it sheds upon the psychology of the extremist element within the Japanese army. It read as follows :

The essence of the nation of Japan, as a land of the Gods, exists in the fact that the Emperor reigns unimpaired from time immemorial down to the remotest future in order that the national beauty of the country be propagated throughout the Universe, so that all men under the sun be enabled to enjoy their respective lives to the fullest extent. This fundamental Constitution of Japan has been in existence from the remotest past down to the present time. The Meiji Restoration has greatly added to the national glory of Japan.

The present time is a favourable moment for Japan to bring about a greater expansion of the national power and prestige of this country.

In recent years, however, there have appeared many persons whose chief aim and purpose has been the amassing of personal material wealth in disregard to the general welfare and prosperity of the Japanese population, with the result that the sovereignty of the Emperor has been greatly violated. The people of Japan have suffered deeply as the result of this tendency, many troublous issues now confronting our nation being attributable to this fact.

The Genro, Senior Statesmen, military cliques, plutocrats, bureau-

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crats, and political parties are all traitors who are destroying national polity. They infringed on the Imperial Right of Supreme Command when they concluded the London Naval Treaty of 1930, and changed the Inspector-General of Military Education in 1935. No wonder many nationalists and military officers have on several occasions attempted to make them reflect and repent by bloodshed warnings; but all attempts were fruitless.

Japan's relations with Russia, China, Great Britain, and the United States are so strained at present that a single mis-step will throw the Divine Land of Japan into ruin. The Imperial work will fail unless we take proper steps to safeguard the Fatherland *by killing all those responsible for impeding the Showa Restoration* and slurring Imperial prestige.

Under these circumstances the Imperial Order to mobilize the 1st Division for Manchuria were issued. We, who have been in charge of the peace maintenance of the capital, cannot but be deeply concerned with the internal and external situation.

It is our duty to remove the evil retainers from around the Throne, and smash the group of Senior Statesmen. It is our duty as subjects of His Majesty the Emperor.

May the Gods bless and help us in our endeavour to save the Fatherland from the worst that confronts it.

*February 26
Eleventh year of
Showa.*

*Captain Shiro Nonaka.
His colleagues.*

At noon on February 26 I joined the crowds of Japanese, including numerous women and children, who had come up to town despite the half-blizzard which was raging, to enjoy the novel sight of a Japanese army capturing Tokyo. With expressionless faces, vast queues of people were filing past the wire barricades erected and held by the rebels around the Palace grounds. They stood and gazed at the 500 troops and 25 machine-guns which held the Metropolitan Police headquarters and its approaches. They filed slowly past the Government offices, kept moving by soldiers of the rebel "army" who stood, snow-draped figures with fixed bayonets, in the centre of the traffic-less road. They watched while troops man-handled heavy boxes of ammunition from army lorries, and gaped into the gates of the barracks of the 3rd Regiment, to which most of the rebels belonged.

There must have been tens of thousands of sightseers along a route of no more than three miles. All of them must

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have known, despite the rigid censorship and absence of any news, that those troops who urged them to "pass along, please", had but a few hours before been concerned with the assassination of a number of the greatest public servants Japan ever had—including the eighty-two-year-old Takahashi, whose popularity was such that during the General Election a few days previously I had seen, at Osaka, an entire audience walk out of a meeting when a candidate of the "Right" dared to attack his financial policies! Yet I did not see one face betray the slightest emotion. In perfect silence, and perfect order, slowly and inscrutably, those citizens of Tokyo (many of them released from their offices because business was at a standstill) inspected the "revolution", and, having seen it at first hand, boarded a tramcar or omnibus, and went quietly back home, leaving the centre of the city to the snow, the rebels, and their thoughts.

If, in the immortal words of a Home Office communiqué issued that night, "the public mind remained tranquil and without fluctuations", there were other minds in Tokyo which were decidedly uneasy. For while Japan had got used to statesmen being assassinated by any group of "double-patriots" who felt that way, to murder or attempt to murder the closest friends and advisers of the Emperor, and capture a city of six million inhabitants, seemed to be carrying protest a bit too far! Clearly something had to be done about it. And equally clearly it had to be done without either other troops joining the mutineers or, if possible, an outbreak of civil war in the middle of a modern city, and that city the capital of the Japanese Empire. It was a decidedly ticklish problem which that day forced the military commanders of the nation which claims to be "the greatest civilizing force in the East".

Two factors helped the Government. One was the fact that, unbelievable as it sounds, the rebels had seized the centre of Tokyo without the vaguest idea of what they were going to do with it. It is now known that following the *coup* the rebels summoned General Kawashima, the War Minister, Mr. Furusho, the Vice-Minister, General Mazaki, and Lieutenant-Colonel Mitsui to the captured War Office, asking them to assume leadership of the revolt and provide the gallant 3rd Regiment with a plan. All refused,

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and from that moment, in the absence of a big swing-over to the rebels on the part of the army generally, the movement was doomed.

The second factor favouring the Government was the appointment of Lieutenant-General Kashii, a man who knew how to deal with his own countrymen, as Governor of the city under martial law.

There were some in high places who openly feared that to bring "loyal" troops into Tokyo would be suicide, since they would probably join the rebels. The faint-hearts favoured using the navy, known to be opposed to the insurrection, to "clean up" the position. General Kashii knew better than that. His first acts, upon assuming his duties as Military Governor of the city on the evening of February 26, were to issue an order to the rebels, signed by the Emperor, to surrender their arms and return to barracks, and to move troops of the 2nd and 4th Regiments, 1st Division, from outlying barracks into Tokyo, explaining that "it is for the 1st Division to wipe out the stain placed upon its name by the action of certain of its members". Later other regiments were summoned to Tokyo with all possible speed from near-by points, the total force converging on the capital amounting to some 10,000 men.

Simultaneously the Ministry of Marine announced that the 1st and 2nd Fleets had been ordered to Tokyo Bay and Osaka Bay respectively, to guard them (*sic*), and would reach their destination within twenty-four hours, while the Yokosuka Defence Squadron had arrived at Shibaura to guard Yokohama harbour.

Towards evening on February 26, with wet snow continuing to fall impartially upon rebel posts and loyalist troops alike, I stood at a point in the heart of Tokyo, close to the Imperial Palace, and watched a sight unique in the history of our time.

Behind me, holding the roads leading to the Palace, stood silent groups of rebels, their machine-guns set up beside wire entanglements, their rifles, with bayonets fixed, carried under the arm—Japanese fashion. There were probably around two hundred men, strongly armed, commanding that main artery of Tokyo, with more—and some said artillery—concealed near by. Their machine-guns,

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plentifully supplied with ammunition, could have raked that thoroughfare with a murderous fire.

Suddenly, from the direction of the Central Railway Station came the tramp of marching men. A column of troops appeared. On and on it came, wave after wave, marching steadily through the slush with snow bespattering caps and greatcoats. Some of the men carried machine-guns. Others were man-handling boxes of ammunition. It was the advance guard, thousands strong, of the troops which General Kashii was rushing in to "mop up" the rebels.

The moment when that advancing column came abreast of the first rebel post was electric with drama. Only a pavement—and a blood-bath—separated the two forces. Had anyone let off a rifle at that moment, hell would have broken loose. In almost any other country in the world, that march of the "loyalists" would have ended in tragedy.

The few foreigners who witnessed the scene (all diplomats were confined to their compounds) held their breath as they realized the risk Kashii had taken. They need not have bothered. Kashii, as I have said, knew the Japanese, knew especially the army, and knew above all things that the rebels, having murdered as many of the "plutocrats and traitors around the Throne" as they could find, were seeking only a way out of the mess they had created. And the comradeship of the Japanese army is as real a thing as its British counterpart.

The rank and file of both those forces came from the same type of peasant homes. Both were imbued with the same intensely nationalist spirit. Both knew and practised Bushido, the creed which someone has described as "the art of dying gracefully".

And so those khaki warriors who had seized the centre of Tokyo stood, rifles in hand, silent and motionless behind their hastily constructed barricades while the "enemy", complete with all the panoply of modern war, marched past to take up the positions allotted to them for the defence of the city and to break, by military action if necessary, the revolution.

There are one or two halts in the progress of the incoming army. A few of the loyalists were near enough to the rebels to hold conversation with them. Some exchanged

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cigarettes. Half a dozen men of each side stood within two yards of each other, talking, immediately beside me. I watched their faces. They were absolutely expressionless. So far as one could tell, both rebels and Government troops regarded it as just another day. Impossible to believe that anything unusual had happened. But for the machine-guns mounted so that they could sweep that roadway with death, and those other machine-guns halted in the snow, their muzzles carefully pointing away from the rebels to avoid any suggestion of intimidation, the scene might have been the aftermath of some ceremonial procession. There was about it an air of complete unreality. Or was it that already the rebels were tiring? That they realized there could be only one end? Probably more important than any of these, and the true explanation, was the inherent discipline of the army itself.

At 10 p.m. Lieut.-General Kashii made the following statement to the public:

The troops of the 1st Division have been ordered on emergency guard duty. In obedience to the Imperial order, I have moved part of the troops under my command to places where they are needed. The aim of these troop movements is to preserve peace in the capital and to protect important buildings. I thus hope that officials and citizens will be careful not to circulate wild rumours and will co-operate in the maintenance of order.

A few hours later it became known that General Kashii was negotiating between the Cabinet, reformed under Mr. Goto, former Home Secretary, and the rebels. The latter offered to accept the new Cabinet and withdraw to barracks, if and when the following demands were conceded:

1. Clarification of national polity.
2. Guaranteeing of the economic life of the people.
3. Strengthening of the national defences.
4. *No victimization.*

Whether General Kashii himself knew the meaning behind the first two items is doubtful. Certainly no one else did. But the implication behind the remaining two items was clear, and friends of Japan could only hope that the attempt to blackmail the Emperor in the name of the Emperor would not succeed.

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Before dawn came the news that negotiations had been broken off, the Government, while offering an amnesty to the rank and file, insisting upon the surrender and punishment of the officers under whom they had acted. Then followed an ultimatum to the barricaded rebels, demanding unconditional surrender.

With some 10,000 loyal troops hemming them in, the rebels were outnumbered by about eight to one, not to mention the tanks, armoured cars, artillery, and other paraphernalia of modern warfare which had been quietly brought into the city and hidden up at various points during the early-morning hours of the 27th. Clearly General Kashii had it in his power to teach the insurgents a lesson which Japan, and the world, would never forget. But still he held his hand patiently as hours passed, caring less about possible charges of "weakness" than for liquidating an *impasse* perilous alike to the inhabitants of Tokyo and Japanese prestige without further bloodshed.

It was this desire to avert civil war if it were humanly possible to do so which accounted for the amazing courtesy shown to the rebels. On Thursday the 27th at 11.20 a.m., 500 rebels evacuated the Central Police headquarters in perfect order, and without interference. The rebels had previously withdrawn from the Government offices, and all were now concentrated at strength in the military staff headquarters and Premier's Official Residence.

At 3.50 p.m. 200 of the 27th Regiment, wearing white arm-bands to distinguish them from the rebels and armed with machine-guns, occupied the Imperial Hotel, in which reside most foreign visitors to Tokyo. Foreign newspaper-men at the hotel, and other visitors, were warned to remain indoors "as action against the insurgents was imminent".

That evening the mutineers agreed to surrender. They were therefore permitted to leave their barricaded headquarters and go into the city, where they ate hearty meals, bathed, shaved, rested, and even had an hour or two at various of the countless tawdry bars, with their kimono-clad waitresses to amuse the guests, which are a prominent feature of such "night life" as Tokyo can boast.

A large number of the rebels did surrender, but others,

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their "patriotism" strengthened again by good food and *sake*, decided to return to their barricades and hold out.

Faced with this further defiance, General Kashii prepared for a show-down. The entire quarter around the rebel stronghold was cleared of civilians, barricades sprang up, and the Government troops gathered in force. Before ordering a general advance, the Military Governor, in a statement to the Press, explained that extensive efforts would be made to prevent fighting which might endanger the Imperial Household and the Embassies and Ministries of foreign Powers in the area affected.

Everything possible must be done to prevent events from taking such a turn [he said]. Besides, the national spirit forbids fighting between Imperial troops. However, the undue delay in the restoration of peace and order is intolerable and unwarranted, consequently in pursuance of the Imperial command the units involved were yesterday ordered to return to their original barracks. They refused to obey this order, thus defying the Emperor's command.

Such being the case it was decided to seek a settlement by military force. Should fighting ensue, it will be limited to a small section of Nagatacho. Citizens are advised to remain in their homes and not to be misled by wild rumours.

Faced with the prospect of fighting the whole Japanese army, not to mention the navy as well, the rebels surrendered as the first waves of Government troops advanced against their defences. They were disarmed and removed to barracks in trucks and tanks, those holding the Premier's Official Residence and the Sanno Hotel being the last to capitulate.

In accordance with the conditions laid down by General Kashii in his ultimatum, the rank and file of the rebels were confined to barracks, while of the twenty-four junior officers who had, by their influence, "misled" the revolting troops, twenty were arrested and imprisoned pending court martial. The remaining four attempted to commit *hara-kari*, and three of them succeeded. Lieutenant Kenkicki Aoshima slit his own abdomen and throat with his sword. As he died, the sword still warm with his blood, his wife seized it and, severing an artery in her arm, died beside her husband, leaving behind a note to her parents, declaring: "The day has come when I must act as a soldier's wife should."

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Captain Teruzo Ando and Major Busuke Amano, who was responsible for permitting the rebels to remove arms and ammunition from barracks without orders from higher up, shot themselves. Captain Shiro Nonaka, who had signed the rebels' proclamation to the world, likewise turned his revolver on himself.

Thus the most amazing episode in the history of Japan ended without the firing of a single shot, apart from those which terminated the lives of the assassinated victims, and those with which some of the rebel leaders later took their own lives, a fact due almost entirely to the patience and skilful strategy shown by Lieutenant-General Kashii following his appointment as Military Governor of the city under martial law. One false step in the handling of the situation, and the results, both for Tokyo and Japan, might well have been disastrous.

Yet despite this tactical success, an examination of the motives behind the revolt, and subsequent events, suggests that it was Captain Shiro Nonaka, and not General Kashii, who won the day. Or maybe both those officers were in greater agreement concerning "the clarification of national policy" than appeared to be the case when the two armies, rebel and loyalist, faced each other outside the walls of the Imperial Palace.

To the world, the February outbreak came as a surprise, but to those of us who had kept in close touch with conditions in Japan, the situation had been disturbing for some time before that event.

Following its swift success in Manchuria, the Japanese army had been vociferously demanding more and bigger adventures and, as a corollary, bigger and bigger budgets for the financing of their dreams on the mainland of Asia.

Senior Statesmen, civilian Ministers (with certain exceptions), and big business all became alarmed at the effects upon the national finances and prosperity of this "Asia for the Asiatics" slogan which the army had adopted with enthusiasm. They threw their weight into the scales on the side of moderation, especially Viscount Saito, Prince Saionji, and Mr. Takahashi, the Finance Minister whose skill had maintained Japan's credit abroad through difficult days. At that time the War Minister was General Araki,

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an honest militarist with a deep interest in philosophy. Araki, obliged by circumstance to voice the army's demands, was over-ruled and resigned, to be succeeded by General Hayashi.

The new War Minister had specific instructions to curb the exuberance of the army, which was obviously and rapidly splitting into two camps—the moderates, who were prepared to acknowledge the existence of civilian Ministers, and the extremists, who were not.

Araki had gone, but he left behind him a close associate, General Mazaki, who as Inspector-General of Military Education wielded greater power than the War Minister himself. General Hayashi, having failed to remove this inconvenient colleague by more subtle means, finally appealed to Prince Kan-in, the Chief of Staff of the Japanese Army, to place him under greater control. The result was a private meeting at which the Prince supported the War Minister and Mazaki resigned. In his stead General Jotaro Watanabe, a "moderate", was appointed to the post, thus giving General Hayashi and the Cabinet greater control over the army.

Unfortunately (as it transpired) for Watanabe, he was given his "key" post specifically to plan a reshuffle of army posts designed to strengthen the hands of the moderates, a fact which amply accounts for his inclusion in the list of those "traitors" murdered by the "soldiers of the Kingly Way" on that red February morning.

Watanabe's activities, however, provide only part of the clue to the motives which actuated Captain Shiro Nonaka and his colleagues.

Another important move for clipping the wings of the extremists within the army had been the appointment of General Tetsuzan Nagata as chief of the military affairs bureau, through which control of personnel is exercised. As long as Nagata held that office, it was virtually impossible for the extremists to regain control of the army. And as the Emperor would not remove Nagata from office, Lieutenant-Colonel Aizawa did—with an assassin's bullet in August 1935 as already recorded. The pretext being that Nagata represented the "headquarters for evil" instead of army headquarters, and the motive the simple fact that the army was being kept apart from the Throne by a host of corrupt civilian Ministers and job-seeking bureaucrats.

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Had the moderates "repented" following that isolated warning, the February uprising probably would not have taken place. But far from repenting, they not only placed Lieutenant-Colonel Aizawa on trial before a military court, and showed signs of making an example of him, but the Government, by permitting high officials, including Viscount Saito, General Mazaki, Count Makino, and S. Ikedo of the Mitsuis, to be called as witnesses, allowed the trial of this "double-patriot" to assume the proportions of a propagandist demonstration against the extreme militarists. A fact only partially mitigated by the expulsion of outsiders from the hearings and the reluctance of the Japanese Press to print anything beyond meagre details concerning the sensational evidence.

On February 25 (the day before the rising) General Mazaki abruptly left the court, throwing the proceedings into confusion. Order being restored after this rebuff to authority, that afternoon Lieutenant-Colonel Mitsui, special counsel for the defence, seized the opportunity to denounce all those who opposed the policies of the army in a speech which, in the view of many observers in Japan, was directly responsible for the explosion which came a few hours later.

In the course of this sensational speech, the apologist for assassination declared :

Both plutocrats and bureaucrats have attributed the poverty of the agrarian classes to excessive military expense. It is a matter of great regret that military officers of high rank also believe this to be a fact.

The national defence has come to a standstill. Once a war breaks out, Japan will be forced to bring it to an end as quickly as possible. There is no other way open to this country. The central military leaders have been in league with the plutocrats, and I can safely say without any hesitation that the youthful officers cannot place any confidence in the central leaders of the army.

Plutocrats have obtained an overwhelming influence in political and economic circles, with the result that the completion of the national defence programme has not been attained. With this the youthful officers are highly indignant, and I believe that Lieut.-Colonel Aizawa must have had the same intention.

The plutocrats are anxious only to feather their own nests and are trying to maintain the *status quo*. Individualism is being replaced by collectivism all over the world, but our country pays no attention to

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this trend. Hence comes the need of restoring our Empire to its proper state in co-operation between the military and the civilians.

Seihin Ikeda, the head of Mitsui, is actually the head of the Japanese Plutocratic Government. Politics and speech organs are in his hands, and through these he has opposed the Showa revolution by all means and has even stretched his hands into military affairs. He was in league with General Nagata, and the villa Nagata was occupying at the Kurigahama seashore is said to have been contributed by some of these plutocrats. This may or may not be true, but it clearly indicates the trend.

It is a well-known fact that Count Makino, ex-Lord Keeper of the Seals, and Viscount Saito, who succeeded him, are closely connected with the large plutocracies such as the Mitsui and the Mitsubishi. The mission of the Okada Cabinet is to suppress the sentiments of the younger officers.

This speech, delivered on the afternoon of February 25, 1936, was considered in Tokyo to constitute a direct warning to those mentioned in it, and their associates. Unfortunately Premier Okada, Count Makino, and Viscount Saito alike ignored the hint; only Prince Saionji, eldest of the Elder Statesmen against whom the tirade was directed, thought it wiser to have a change of air. To which fact he owes his life.

Such was the background of what General Kashii termed a "military revolution unprecedented in the annals of Japan". Additional reasons which caused the explosion to come when it did are to be found in the swing of the Left evidenced in the General Election held a few days before the rising—an election which confirmed the Okada Cabinet in power and in which the Japanese Labour (Social Masses) Party polled strongly—and the impending departure of the 1st (Tokyo) Division for Manchuria. The junior officers who planned the whole affair as a protest against the "traitors" around the Throne, whom they believed would not be dispossessed except by a *coup d'état*, and the "moderates" in the army had, therefore, only a few days in which to strike. Incidents which occurred at the Aizawa trial provided the spark which touched off the dynamite manufactured by the teachings of Kita's *A Reconstruction Programme for Japan*, the banned "Fascist Bible" of the extreme nationalists.¹

The effects of the revolt—which would decide the

¹ See Chapter VI.

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controversial question of who had won!—were not long in manifesting themselves.

Following the reappearance of Premier Okada after he had been mourned as dead, the entire Cabinet resigned, and a new Government was formed under the Premiership of Mr. Hirota, former Minister for Foreign Affairs. In that difficult office, Mr. Hirota had achieved a substantial reputation for moderation and wisdom, and voices were not wanting which hailed his elevation to the highest office as a victory for moderation. Such was the prestige of the new Premier that foreign opinion might have accepted this view, despite the selection of Admiral Nagano—who as spokesman of the Japanese delegation to the abortive London Conference had led the withdrawal from that body when Japanese demands for naval parity were not accepted—as head of the Admiralty. But within twenty-four hours of the new Premier announcing his Cabinet, three of the new Ministers had been vetoed by the army for various reasons—and Mr. Hirota obediently sacked them and appointed new men, thereby revealing himself as the “tame hireling” of the military caste.

As though to underline the fact that the February rebels, in losing their battle, had in reality won all power for the army, there came, on July 14, 1936, the news that General Terauchi, the War Minister, had presented to the Cabinet an armament programme which requires the expenditure upon the army alone of £175,000,000 within the next six years, representing an increase of 75 per cent in the Army Estimates. The demands of the navy were to follow, and were additional to this sum.

There was a “vitalizing” of Japanese national policy in other departments also, the whole operation being summarized by Kamekicho Takahashi, President of the Takahashi Institute of Economic Researches, and a noted economist in Japan, as “the discarding of old makeshift policies” and “the establishment of a positive diplomacy, the strengthening of the national defences, and the stabilizing of national life”.

In spite of his desperate efforts, Mr. Takahashi [the murdered Finance Minister] was not altogether successful in checking the expansion of military expenditure [states this authority]. In fact, his

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attempts were like kicking against a brick wall, for the underlying cause of the rising expenditures for defence purposes must be sought in the involved complications of the international situation. To try and check the expanding military requirements through brandishing this or that fiscal policy was, and for that fact still is, attempting the impossible.¹

So much for the control of the army, through the "power" to veto military appropriations, possessed by the Japanese Diet!

If Parliament was powerless to oppose the growing military ascendancy in the national life, it could and did seize the opportunity afforded by the post-mortem on the February "rebellion" to speak a few home-truths, the most outstanding speech in the subsequent debates being that delivered by Mr. Saito, a Minseito member.

Among some of the younger officers a movement evidently has been afoot for reorganizing the State [declared Mr. Saito]. There cannot be any doubt but that some of them have talked politics and participated in political movements. I wish to know what attitude the army authorities have assumed in regard to this tendency. Need I remind you that for soldiers to be involved in politics is not only contrary to the August wish, but is strictly prohibited by the national Constitution and laws?

The service men, ever ready to obey the supreme command of the Sovereign, must lay down their lives to defend their country when the occasion arises. It naturally follows that the training and education of officers are centred on this point, and politics, economics, finances, and foreign relations are outside their line.

Moreover, if soldiers and sailors were permitted to take part in politics, it would enable them to resort to arms in order to assume power and push their claims, in which event the constitutional form of government would be totally undermined, the country would be thrown into turmoil, and military dictatorship would be the result.

So under no circumstances should the service men be permitted to take part in political movements.

Even the army chiefs held the view that politics must be discouraged¹ within the army and the "double-patriots" taught a lesson, lest on the next occasion they seized not Tokyo, but Japan.

General Terauchi, War Minister, informed the Diet that

¹ *Contemporary Japan*, June 1936.

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he was in agreement with Mr. Saito's remarks, and had ordered the army to express its political views only through himself!

Evidence that something more than a "whitewashing" operation was coming when the rebel leaders came before the Military Tribunal was afforded by a conference of police chiefs from all parts of Japan held at Tokyo in June 1936 to receive instructions on how to act in the event of disturbances following the sentences.

The Military Tribunal got busy, and on July 7 the curtain was rung up for the last act of the drama. This time the military did not shield the culprits. Nineteen officers, 73 non-commissioned officers, 19 privates, and 10 civilians who had served in the army were charged and tried; of these 17 were sentenced to death and five to imprisonment for life.

Thus the Japanese uniforms worn by the assassins of February 26, 1936, did not protect them from just punishment for their crimes. Yet, despite their eventual fate, the advocates of what *The Times* has termed "Nationalist Messianism" won the day.

The rebels had aimed their blow against all traces of Liberalism or moderation around the Throne, and hit out in the interests of a Japan that would be all-powerful in Asia.

A few weeks after that blood-red dawn in Tokyo the Japanese Ministers for War and the Navy made speeches justifying the coming huge increases in army and naval expenditure by the plea that "Japan's hands had been forced by the naval programme of the United States and the warlike preparations made by Soviet Russia in the Far East".

General Terauchi stated that, with Soviet Russia maintaining over 200,000 troops in Eastern Siberia, 50 submarines at Vladivostok, and aircraft capable of raiding Japanese cities—not to mention the "encirclement" of Manchuria by her protectorate over Outer Mongolia—Japan must strengthen her forces on land and sea.

Those speeches must have been balm to the hearts of the officers and men awaiting trial in the military prisons.

For thus it became clear beyond all doubt that while Viscount Saito, Mr. Takahashi, and Captain Shiro Nonaka were alike dead and buried, it is the soul of Captain Nonaka that goes marching on.

CHAPTER VI

SLAVES OF MOLOCH ?

THOSE who do not understand the spirit which animates the Japanese armed forces, and the unique position which they occupy in the national life, cannot understand modern Japan. It is unfortunate, therefore, that concerning no other aspect of that country's affairs is ignorance in the West more profound.

The Japanese army, navy, and air force form collectively what is almost certainly the most truly idealistic military force existing anywhere in the world. In the last analysis, they, under the command of the Emperor, form Japan, the Diet, political parties, elections, and semi-civilian Cabinets being merely the façade of pseudo-democracy behind which the General Staff wield supreme power. No civilian Minister can assume office, or continue in office, except by the tacit consent of the military hierarchy.

In every other country in the world, excepting Soviet Russia, "money talks". In Japan, big business, represented by such families as Mitsui, Iwasaki, Sumimoto, Asano, and Yasuda—to name the owners of the five biggest accretions of wealth in Japanese industry—live in constant fear of an open attack, inspired by the military, upon their position and the seizure of the wealth which they control.

That the Japanese army is anti-capitalist was clearly shown in 1932, when elements of the Kwantung army bluntly announced that they had not conquered Manchuria for the benefit of the financiers and capitalists of Tokyo and Osaka, but for the glory and advancement of the Japanese Empire as a whole. While one of the statements issued by Captain Shiro Nonaka, leader of the rebels who carried out the assassinations on February 26, 1936, was that "we have spared the lives of the capitalists as we shall need their wealth to finance the coming war with Soviet Russia". No

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wonder inquiries which I made in commercial quarters at Tokyo on that day revealed that the heads of the great industrial organizations and banks had, almost without an exception, "gone to the country for a rest".

The Japanese army is not Fascist, as Fascism is known in Europe. It is not even an instrument of reaction. Indeed, in many respects it is the most truly Japanese organization, in spirit, to be found in the whole of Japan, mirroring in its very nationalism, its worship of the Emperor, and its belief in the destiny of that country, the prevailing thought and spirit of the whole nation.

While the hasty introduction of Western democratic theories was followed by incidents which have greatly discredited political parties, the Japanese armed forces, responsible to the Emperor alone, have stood apart from, and above, political squabbles and the "money motive" of the industrialists. Today the Japanese people regard them with a reverence and confidence which is either withheld, or grudgingly given, to politicians, bankers, and big business.

The view that the armed forces are imbued with a selfless devotion to the highest national ideals was strengthened by the fact that upon the occasion of the two greatest national calamities which have afflicted Japan in recent years—the Tokyo earthquake and the Osaka floods—the civilian administration proved incapable of grappling adequately with the emergency, and it was the army and navy which, in the guise of deliverers, came to the rescue of the Home Department.

This prestige of the army and navy, in the eyes of the majority of the Japanese people, is sufficient to account for the otherwise unexplainable fact that those guilty of the assassination of statesmen and industrialists in the various "incidents" which occurred prior to the murder of General Nagata in 1935 were elevated to the role of national heroes, and received very light sentences. Not until sentence was passed upon Lieutenant-Colonel Aizawa for that crime, after the February rising had occurred, was there any evidence of the suppression of political murder with a strong hand.

"All causes of evil should have been removed from the very first," declared Mr. Saito in his striking speech before

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the Imperial Diet, with reference to the wide gulf which had too long existed in Japan between "patriotic" and "unpatriotic" crimes of violence. "Had the army authorities taken measures to undermine the root of the evil at first, the incident of May 15, 1932, would not have occurred." And the speaker went on to show how, after the assassinations of that day, the officers concerned received very light sentences at the hands of the Military Tribunal, while the civilian participators in the plot (who had taken no part in the killings, but contented themselves with bombing power stations) were tried before the ordinary Courts and sentenced to imprisonment for life.

"I believe the attitude taken by the military authorities in connection with the May 15 incident is responsible for the February 26 incident," stated Mr. Saito. I may add that most of those closely in touch with both events hold the same opinion, and it is noteworthy that, in the Speech from the Throne in opening the special session of the Japanese Diet of May 4, 1936, the Emperor for the first time in history uttered words of public censure on army officers.

"We regret the incident which occurred in Tokyo in February," ran the passage. "We expect our faithful subjects, Government and people, civil and military, to unite as one to advance the nation's well-being."

The disinclination, so long displayed, to inflict punishment upon guilty army extremists which might diminish the prestige of the armed forces as a whole is understandable enough. For those forces have for centuries occupied a special place in national life, and, by unswerving patriotism and selfless devotion to Japanese ideals, contributed more to the national strength and the spirit of Japan than any other agency, save only the conception of a Divine Emperor, Divinely inspired.

Viewed from the Japanese standpoint, the importance of the army lies not in its numbers (240,000 on a peace basis until the increases foreshadowed by the 75 per cent increase in the Army Appropriation authorized by the Cabinet take effect), nor in their composition (85 per cent, approximately, of the whole army is recruited from the peasantry, forming a close link between army and countryside which tends to emphasize its anti-urban, anti-capitalist bias). Infinitely

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more important is the fact that the army may be trusted always to take a "national view" of its responsibilities, and to formulate its policies for the sole purpose not of the aggrandisement of any class in the community but in the interests of Dai Nippon—Greater Japan.

The most important person in that army is His Majesty the Emperor, the 124th Divinely descended Ruler of Japan and Supreme Commander. The Emperor occupies a position of god-like power unique in any modern State.

Such an incident as happened on Constitution Hill in London, within sight of King Edward VIII, would be impossible, theoretically at all events, in Japan. For when the Emperor's car passes through the streets of Tokyo, none of the populace may remain in sight. All blinds are drawn. No person may remain on any balcony or roof. Tramcars stop along the route with drawn blinds. Only the troops and police who guard the August Personage are visible.

The very name of the Emperor is sacred. Foreigners in Tokyo, wishing to speak of him, refrain from mentioning his name lest anything they say is overheard and misunderstood, while when, some time ago, a Japanese official discovered that in naming his son Yoshihito he had taken the Emperor's name in vain, he resigned and committed *hara-kari* to atone for his crime!

To this Divinely appointed Ruler, and to him alone, the Japanese army gives allegiance—absolute and complete.

The most important document in the whole written Constitution of the Japanese Empire is not concerned with rights but with duties. It is the "Imperial Precepts to Soldiers and Sailors" signed by the Emperor on the 4th day of the last month of the 15th year of the Meiji Restoration.

This document begins :

The forces of Our Empire are in all ages under the command of the Emperor. It is more than twenty-five centuries since the Emperor Jimmi, leading in person the soldiers of the Otomo and Mononobe clans, subjugated the unruly tribes and ascended the Imperial Throne to rule over the whole country.

After a summary of the military history of Japan down the ages, it continues :

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Soldiers and sailors, We are your Supreme Commander in Chief. Our relations with you will be most intimate when We rely upon you as Our Limbs and you look up to Us as your head. Whether We are able to guard the Empire, and so prove Ourselves worthy of Heaven's blessings and repay the benevolence of Our Ancestors, depends upon the faithful discharge of your duties as soldiers and sailors. If the majesty and power of Our Empire be impaired, do you share with Us the sorrow; if the glory of Our arms shine resplendent We will share with you the honour. . . . As We thus expect much of you, Soldiers and Sailors, We give you the following precepts:

(1) The soldier and sailor should consider loyalty their essential duty. Who that is born in this land can be wanting in the spirit of grateful service to it? No soldier or sailor, especially, can be considered efficient unless this spirit be strong within him. A body of soldiers or sailors wanting in loyalty, however well ordered and disciplined it may be, is in an emergency no better than a rabble. Remember that, as the protection of the State and the maintenance of its power depend upon the strength of its arm, the growth or decline of this strength must affect the nation's destiny for good or for evil; therefore neither be led astray by current opinions nor meddle in politics, but with single heart fulfil your essential duty of loyalty, and bear in mind that duty is weightier than a mountain, while death is lighter than a feather. Never by failing in moral principle fall into disgrace and bring dishonour upon your name.

(2) The soldier and the sailor should be strict in observing propriety. Soldiers and sailors are organized in grades, from the Marshal and the Admiral of the Fleet down to the private soldier or ordinary seaman: and even within the same rank or grade there are differences in seniority or service according to which juniors should submit to their seniors. Inferiors should regard the orders of their superiors as issuing directly from Us. Always pay due respect not only to your superiors but also to your seniors, even though not serving under them. On the other hand, superiors should never treat their inferiors with contempt or arrogance. Except when official duty requires them to be strict and severe, superiors should treat their inferiors with consideration, making kindness their chief aim, so that all grades may unite in service to the Emperor.

(3) The soldier and the sailor should esteem valour. Ever since the ancient times valour has in our country been held in high esteem and without it our subjects would be unworthy of their name. How, then, may the soldier or sailor whose profession it is to confront the enemy in battle, forget even for one instant to be valiant? . . . Never to despise an inferior enemy or fear a superior, but to do one's duty as soldier or sailor—this is true valour. Those who thus appreciate true valour should in their daily intercourse set gentleness first and

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aim to win the love and esteem of others. If you affect valour and act with violence, the world will in the end detest you and look upon you as wild beasts. Of this you should take heed.

(4) The soldier and the sailor should highly value faithfulness and righteousness. Faithfulness and righteousness are the ordinary duties of man ; but the soldier and the sailor, in particular, cannot be without them and remain in the ranks even for one day. Faithfulness implies the keeping of one's word, and righteousness the fulfilment of one's duty.

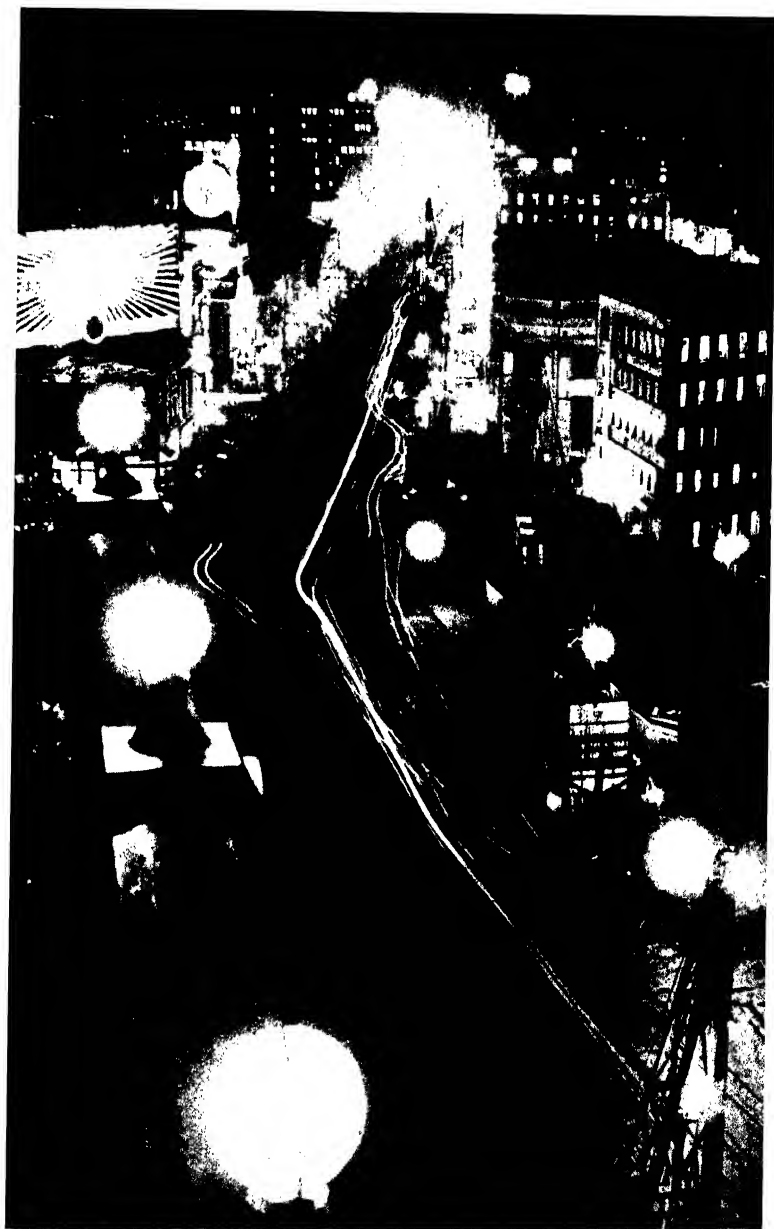
(5) The soldier and the sailor should make simplicity their aim. If you do not make simplicity your aim, you will become effeminate and frivolous and acquire fondness for luxurious and extravagant ways ; you will finally grow selfish and sordid and sink to the last degree of baseness, so that neither loyalty nor valour will avail to save you from the contempt of the world. It is not too much to say that you will thus fall into lifelong misfortune. If such an evil once makes its appearance among soldiers and sailors, it will certainly spread like an epidemic, and martial spirit and morale will instantly decline.

These five articles should not be disregarded even for a moment by soldiers and sailors [concludes this document]. These five articles are the soul of Our soldiers and sailors and sincerity is the soul of these articles. If the heart be not sincere, words and deeds, however good, are all mere outward show and can avail nothing. If only the heart be sincere, anything can be accomplished. Moreover, these five articles are the Grand Way of Heaven and Earth and the universal law of humanity, easy to observe and to practise. If you, soldiers and sailors, in obedience to Our instruction will observe and practise these principles and fulfil your duty of grateful service to the country, it will be a source of joy, not to Ourselves alone, but to all the people of Japan.

Such is the philosophy inculcated into the hearts and minds of the little khaki-clad warriors of Nippon.

In order to observe it in practice, I recently talked, in Japan, with a group of young conscripts who had that week returned after two years on "active service" in Manchuria. All of them were the sons of poor farmers, and all had been enrolled into the Japanese infantry, under the Conscription law, at the age of twenty.

Not only were they agreed that it was a great honour to be permitted to wear the uniform of Dai Nippon Teikoku Tenno—the Emperor of Great Japan—but all emphasized that during their periods of active service they had experienced a standard of comfort and well-being which it was



JAPAN'S "GREAT WHITE WAY"

The ginza—Tokyo's "Piccadilly"—by night, showing modern department stores, and sky signs, erected since the great earthquake destroyed Old Tokyo



THE "POCKET-FARMS" OF NIPPON

Despite intensive cultivation of their precious acres, the Japanese have to import one-fifth of the national food-supply

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only too probable they would not, as impoverished rural farmers, ever know again. To them, and to thousands of their kind, service in the ranks of the Japanese army, it was clear, was regarded as a "cushy job".

One of their number, acting as spokesman for the rest, explained that their main activity had been "cleaning up troublesome Chinese elements" in Manchukuo. He expressed astonishment that anyone in that country should be so backward as not to recognize the benefits which would accrue to the population from Japanese-inspired rule. He explained the plans which "our Generals" had formulated to safeguard the new State and Japanese interests generally on the mainland. On all these points he assumed that no sane person would question the right—indeed, the duty—of the Japanese to expand her interests as dictated by the national good. Nor, at any point in the interview, was the civil Government at Tokyo, or the Imperial Diet, mentioned at all. It was clear that, in the views of these typical members of the rank and file of the Japanese forces, the aims of Japan in China or any other part of Asia were solely a matter for the military High Command, who could be trusted completely to act with selfless devotion to the national ideals.

I inquired concerning their views on the possibility of war.

"The Japanese army and navy are instruments for maintaining peace—not making war unless it is thrust upon us," was the answer. "Peace in East Asia has been maintained because our regiments and other regiments of the Japanese army have been the ever-wakeful watchdogs of East Asia. Manchukuo is today more peaceful than ever before. We are taking peace to North China—clearing it of bandits and communists. The danger to peace comes from Soviet Russia. They are piling up forces on the frontiers. Why? Not because they fear we will attack them, but because they contemplate an attack upon the Japanese army. No wonder our officers urged us to sleep lightly, with our loaded rifles ever to our hands."

As they spoke of the propaganda within the army against Russia—presumably to keep its spirits up—the soothing syrup dispensed by Mr. Hirota and others at Tokyo was transformed into the vitriol freely sprinkled around by the

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military High Command. These conscripts showed no bitterness concerning Russia. Nor did they question in any particular the opinions of their superiors. Russia, they knew, was an enemy of Greater Japan and therefore their enemy. As long as she did not interfere with Japan's destiny, all well and good. If she did—the leader of them made an expressive gesture with his hands and said : "If she did, then we should, of course, have to leave our farms again and defend the interests of our country and of Asia."

"Of Asia ?"

"It is our historic mission to bring peace and well-being to Asia. We trust it may be possible to do this by peaceful methods. But if not, then we must fight for peace. Civilization cannot be kept back, and in the Far East it is the Japanese spirit which represents civilization."

I inquired who had told them that.

"We learnt it at school," was the reply. "And events prove that it is true."

Those young men, their faces still bearing the traces of exposure to the bitter winds and air of a Manchurian winter, were too simple, too unversed in the arts of diplomacy, to speak other than the truth as handed out to them by their officers. To them, it was clear, any idea of the army "interfering" in the realm of foreign affairs would have been laughable. The army was the natural arbiter in all relations between Japan and Asia. As I left them, I thought of a statement made to me in China that the Chinese Government did not know with whom they were dealing—whether a civilian Government or an Army Council.

The Japanese officer is imbued with the same spirit. H. Vere Redman has described Major Kondo, a mythical but entirely typical officer of the Imperial Japanese Army, in the following words :

We know that Major Kondo is attractive before we know him at all. Compact in his uniform, not particularly well-tailored, but at least representing a clearly directed subordination of means to ends, he shows no signs of physical wriggle, which is itself engaging. He can enter a room, stand up or sit down, without giving an impression of either effacement or assertiveness. And this physical dignity has its counterpart in his mind. He does his job, and does it effectively. For the rest he studies, and the purpose of his study is quite clearly

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not his personal advancement. He studies simply because such was the order of the great Emperor Meiji. He speaks English with his English friends, French with his French friends, German with his German friends. And quite evidently in doing so he is just obeying orders.¹

During the recent troubled years, before the drastic reshuffle enforced in the army following the February revolt, there has arisen considerable divergences of opinion regarding foreign policy between the senior officers and the "younger" men of commissioned rank—though those included in the latter group were for the most part colonels and majors, and often forty years of age or more. These "young officers" opposed every hint of moderation in international affairs, advocated "strong arm" methods without end, in China, and distrusted Great Britain. Below them, again, in the military scheme, were the junior officers, often fanatical idealists who honeycombed the Imperial army with secret societies, and from whose ranks were drawn most of those who planned the various "incidents" to which reference was made in a previous chapter.

All groups alike claimed that upon their programmes rested the safety and security of Japan. All alike claimed to be imbued with the precepts of bushido, the moral code which, originally evolved before the Christian era and adopted by the Samurai, or fighting class, has become one of the strongest factors making for unity of thought within the Japanese nation.

Acceptance of the bushido code means recognition of the fact that—in the words of General Nitobe—"loyalty is the distinctive feature of Japanese ethics and the keystone of the virtues. Bushido means utter submission to the command of a higher voice."

It has been interpreted, by a British writer, in these words :

If we cannot adequately express all that bushido is, we can say what it is not. Take the average scheme of life of the average society of the West, and bushido as nearly as may be represents its exact antithesis. Bushido offers us the ideal of poverty instead of wealth, humility in place of ostentation, reserve instead of *réclame*, self-sacrifice in place

¹ *Japan in Crisis*. (Allen & Unwin.)

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of selfishness, the care of the interest of the State rather than that of the individual. Bushido inspires ardent courage and the refusal to turn the back upon the enemy; it looks death calmly in the face and prefers it to ignominy of any kind.

It teaches submission to authority and the sacrifice of private interests, whether of self or family, to the common weal. It requires its disciples to submit to a strict physical and mental discipline, develops a martial spirit, and by developing the virtues of courage, constancy, fortitude, faithfulness, daring, and self-restraint, offers an exalted code of moral principles, not only for the man and warrior, but for the men and women in times both of peace and war.¹

The fiery and unquestioning loyalty inculcated in military hearts by this impressive creed accounts for the patriotic propaganda constantly preached within the ranks of the army, and the constant "war" waged upon "dangerous thoughts", a comprehensive phrase by which is meant anything from democratic sentiments or Victorian Radicalism to Anarcho-syndicalism and Communism.

An army saturated with the tenets of the bushido code could not be other than loyal, but it could be discontented with the course of events. And it was.

Those "young officers", and others more junior in rank, saw their careers and the power exercised by their class imperilled by the "pacifist" policies of party politicians. They feared for the future both of the army and the country unless something was done to "stop the rot".

That discontent had its counterpart "higher up"—in the views of the General Staff regarding foreign policy as expressed in a pamphlet issued in March 1935 by authority of the High Command. This document declared that a state of national emergency existed, due to (a) Russia's rearmament, (b) China's refusal to co-operate with Japan, and (c) the spread among the people of European culture.

"Japan", stated the author of the pamphlet, "is entering the third period of her development, when she must overcome the pressure on her national growth and fulfil the Imperial Will by bringing peace out of disorder in Asia." Thus the Imperial Japanese Army announced, not through the mouths of its extremists, but by the considered pro-

¹ *The War in the East*, by the Military Correspondent of *The Times*. (John Murray, London, 1905.)

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nouncement of its leaders, its intention to seek the formation of an Asiatic alliance of 500 millions of people under the leadership of Japan—the “king-pin” of Asia.

Out of these prevailing discontents grew the movement for what is termed a “second Showa Restoration”—for the State control of the economic machine and the “restoration” of all power to the Emperor.

The power of the army thus to influence political opinion is strengthened by the existence of the Imperial Reservists' Association and the Young Men's League, each of which is said to possess over two million members, mostly drawn from the peasantry. These organizations look upon the army as the repository of the virtues of bushido in contrast to the sins of the capitalists, who are alleged to consider only their own narrow interests.

The peasants and their sons, remembering the seventy-year-old link which unites countryside with camp, and the fact that army officers are content to retire at fifty into “honourable poverty” (in contrast to the affluence of Big Business), rallied *en masse* to the slogan “Dissolve the political parties” when it was first voiced by Mr. Matsuoka, of Geneva fame.

All of which may seem like “camp government” to British eyes, but is a perfectly natural state of affairs in Japan, where the warriors have always been the ruling class, and today provide the “revolutionary” impetus which is driving the country forward towards the totalitarian State of their dreams, when “all will be for the Emperor and none for self”.

What the West regards as dualism in Japanese public affairs—a tug-of-war between democracy and militarism—is something different. Civilian control of foreign affairs did once exist, but since the assassination of Tsuyoshi Inukai, then Premier, in May 1932, the Foreign Office has been subservient to the War Ministry in everything that matters. Confirmation of the relative importance of the two departments, in the eyes of the extreme patriots within the army, was afforded by the February rising at Tokyo, throughout which the War Department was strongly defended while the Foreign Office, alone among all the Government departments, stood lonely and neglected, its gates open to the

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world. Nor did the "double-patriots" consider it necessary to disturb Mr. Hirota, then Minister for Foreign Affairs, on the night of the blood-bath.¹

The right of the Japanese High Command to dictate Imperial policy in regard to external affairs may be queried outside Japan. It is certainly not in dispute within that country.

The Japanese Army and Navy are under the direct command of the Emperor, and neither the Government nor the Diet has any right to interfere in the *strategic actions*, or the number of men or ships to be maintained [states the *Japan Year Book*]. In making any decision on military or naval strength or the organization thereof, the Emperor consults the Chiefs of the respective General Staffs, who are thereupon required to submit their plans direct to His Majesty. The plans are then handed to the Prime Minister, who, in his turn, consults the Diet as to the necessary appropriations. Thus the Diet, while powerless to interfere with the actual naval and military projects, is entitled to determine the amount to be appropriated for their execution. If, however, the Service estimates are reduced in such a way as to render the original projects impossible of execution, this is deemed to be an infringement of the Imperial Prerogative under Article XII of the Constitution.

And, I may add, no insurance company would care to insure the life of the Finance Minister valiant enough to question the amount of public money which shall be placed at the disposal of the armed forces!

The continuing unrest within the fighting forces of Japan arises not from any fear of civilian interference in the realm of foreign policy or military affairs. That danger is past. The prevailing discontent, originating in causes already discussed, has as its basis today a determination so to

¹ The *Miyako*, a Japanese publication of standing, stated in its issue of February 15, 1936: "When Foreign Minister Koki Hirota assumed his present position, his announcements used to attract a great deal of public attention, but now his popularity is beginning to wane. One cause of this, in our opinion, is the fact that the Foreign Minister has proved himself unable to detach the Foreign Office from the military. Co-operation between the military and diplomatic services is necessary in every country, but it is essential that whenever such co-operation is brought into being it should be realized by mutual request and not be 'forced on' one Service by the other. Foreign Minister Hirota has certainly not asked of his own accord for military co-operation."

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strengthen the national defences that the position of Japan in Asia will be unchallengeable, and finds expression in the demand for the remodelling of the Constitution on lines more acceptable to the army.

Within the Japanese forces, extremists of all brands meet on common ground in their desire to "clear out the politicians and financiers" and, by a second Showa Restoration, place sole power, in every sphere of national life, in the hands of the Emperor. Their aim is the creation of a State in which all wealth would be owned by the Throne and all would toil—including the bankers—for the good of the nation. In other words, the "restorationists" demand complete control by the military machine in the interests of Japan.

They find their inspiration in Ikki Kita's book *A Reconstruction Programme for Japan*, nominally prohibited but roneo-ed copies of which still circulate in the army. This book, compounded of a strange hotch-potch of Marxism and Fascism re-dressed for Japanese consumption, exercises the same influence on the mental outlook of the Japanese army as does *Mein Kampf* in the ranks of the Nazi Party in Germany.

Kita's plea is for a revolutionary Empire organized according to the principles of State Socialism, and he envisaged its coming in three stages—first a military coup, then the suspension of the existing Constitution, and finally complete restoration of Imperial rule in all affairs.

The mental processes of this extreme wing within the army may be judged by the proclamation signed by Captain Shiro Nonaka, leader of the February rising,¹ and by a statement made by Lieutenant-Colonel Aizawa, murderer of General Nagata, at his trial for that crime.

Asked to explain what he meant by the "Showa Restoration" which he preached, Aizawa replied :

The Emperor is the incarnation of the God who rules over the Universe. The world is deadlocked because of Capitalism, Communism, Anarchism, and Atheism. The personal rule of the Emperor is firmly established in Japan and must continue. Democracy is all wrong. The present times are marked by arrogation of political powers. A

¹ See Chapter V.

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Prime Minister has propounded the institutional theory of the Emperor. School-teachers say that their salaries are paid by the people, not by the State—at least, my child is so taught. The return of political and financial power to the Emperor would be the Showa Restoration.¹

And the Tokyo correspondent of *The Times* adds that the remedy for the present evils (in the eyes of the extremists) begins with the removal of the capitalists and the politicians, their “docile clerks”, from place and power, and the restoration of direct Imperial rule.

The more influential moderate group within the armed forces repudiates such thorough-going revolutionary thought. They demand only the “clarification of national polity”, and a working arrangement between civilians and military which will “leave to the Services the duty of deciding what they want, and to the Government the task of deciding how to get it”.

All shades of opinion, however, agree that such an abrogation of Imperial rule as the signature of the former London Naval Treaty by a Prime Minister (since assassinated) against the advice of the Naval General Staff must never occur again. That event conclusively showed, in the eyes of Japan’s High Command, the danger of leaving decisions to party politicians; it convinced many officers that the future of the Empire was doomed so long as Cabinets based on political parties and statesmen of this type were in control.

On the other hand, among the “moderates” there is a desire to avoid the risks inherent in a policy of complete isolation from the world and an appreciation of the fact that there is much to be said for a measure of civilian participation in the Government so long as it is based not upon parties but personalities—and those personalities hand-picked by the military, as was the case when Mr. Hirota formed his Cabinet after the February rising in 1936.

There is also a feeling among both “moderates” and extremists that Capitalism as at present existing in Japan does not function in the national interest. Nor, it must be admitted, is that view held without reason. Apart from the

¹ *The Times*, April 27, 1936.

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undoubted fact that the cities have prospered at the expense of the countryside, where the influence and prestige of army and navy are strongest, the effect of grafting a Western *laissez faire* competitive system on to the ancient Family System of Japan, under which the eldest son inherits the whole of a family's possession upon the death of his father, has directly resulted in the creation of huge blocks of capital such as the Mitsui octopus, emphasized the worst phases of Capitalism, and caused many who cannot be classified as revolutionary to doubt the wisdom of maintaining the present economic structure.

"Our Family System is centuries old. Our Capitalist system is less than fifty years old," stated a Foreign Office official to me recently. "If it can be shown that both cannot be worked in one community can you doubt which system will be discarded?"

Equally interesting and significant was the view of a military officer that "if our Capitalist system is to remain, then Japan has reached the point at which strong trade unions must be developed to protect and foster the interests of the Japanese people, and hold the balance between money and man-power".

Such views are widely and sincerely held within the Japanese armed forces. The spectacle of wealth being created for the few by the exertions of an army and navy which lives in frugal simplicity, and without thought of self, has bitten deep into the consciousness of the Japanese armed forces. And the fact that they regard themselves as the custodians of the "national spirit" makes it natural that Generals and Admirals should ponder deeply over such questions.

Recognition of the responsibilities which confront the armed forces as the one completely disinterested and trusted element in the national life of Japan, and of the importance of that inner unity necessary to maintain "government of the army, for the army, by the army", has led to a decided stiffening in the attitude of the High Command towards "blood affairs" carried out by junior officers. Thus Lieutenant-Colonel Aizawa, murderer of General Nagata, was for this crime sentenced to death by a Military Tribunal on May 10, 1936—this despite his cry of "The Emperor is absolute. Repent and become his beloved subjects", and his

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threats that the officers of the army "would murder all Kerenskys".

That execution, and the summary justice meted upon the leaders of the February revolt, show a determination on the part of the military authorities to tolerate no longer the existence of military cliques and groups which place their opinions above those of the army as a whole, and which resulted in groups of officers taking the law into their own hands whenever they happened to disagree with any politician.

If "patriotic" murders thus become "unpatriotic", it will be because those controlling the armed forces fear disunity within the ranks more than they fear the politicians without. It was not so very long ago when any young officer who shot down a Japanese Prime Minister in cold blood counted upon hero-worship, headlines—and a sentence too light to be a serious drawback to assassination. Times change. The Imperial Japanese Army, conscious of its great mission still only in the process of fulfilment, shows signs of enforcing respect for its ideals and obedience to its discipline. Whether it will prove able to conscript the financiers and capitalists into its ranks for service to the Empire it has created (at modest salaries) is an intriguing question.

CHAPTER VII

STRATEGY "À LA NIPPON"

WAR—verbal but occasionally physical warfare—has been waged between Soviet Russia and the Japanese Empire with increasing virulence for more than five years past. Japan, remembering Czarist expansionist designs in the Far East, and the fact that but for the blood and treasure which she poured out in 1895, and again in 1905, Manchuria would today be Russian territory, views Sovietism and all its works with undisguised suspicion and hatred. Russia, reasonably apprehensive concerning some of the utterances of Japanese officialdom and the activities of the Japanese army in the mainland of Asia, alike fears and prepares against an attack upon the Far Eastern Republic and Outer Mongolia, her protégé whose boundaries now arrest the tide of Japanese expansion to the west of Manchukuo.

In 1905 and 1925 alike, the cockpit in which the interests of these hereditary enemies clashed was Manchuria. Today it is along the Manchukuoan-Mongolian frontiers and the Amur and Ussuri Rivers, across which the last absolute Monarchy glares at the first Communist State, and the flames of war flicker fitfully.

Sorting out fact from rumour on that troubled frontier is no simple task. Along stretches of it, the actual border is outlined by loose piles of rocks dumped every five miles or so. "Simple," say the Japanese, "for the Russians to move one or more of those piles a few miles eastwards, to improve the strategic position of their blockhouses, and later attack Japanese or Manchukuoan patrols for 'violating' the frontier."

"Nonsense," retorts Moscow, through its officially inspired Press. "The frontier between Outer Mongolia and

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Manchuria has been clearly defined, and neither we nor the Mongolian People's Republic have any desire to alter it." "But," said Josef Stalin, "if Japan ventures to attack that Republic and seeks to destroy its independence, we have to be able to defend it."

In other words the Soviet Union has given due warning to Tokyo of "the unchangeable friendly relations which the Union has entertained with the Mongolian People's Republic since 1921" and that the predicted Japanese-Manchukuoan drive against Urga—rechristened Ulambator, "The Town of the Red Hero"—would be up against, not Mongol tribesmen, but the whole military might of the U.S.S.R.

Those who know conditions on the troubled frontier best are doubtful concerning the accuracy of Japanese charges against Russia of "tinkering" with the frontier line, and the fact that the Russians, with immensely superior military forces at their disposal in the Far East, have remained passive under great provocation may be held to support their disclaimer of aggressive aims. The real bone of contention between the two nations lies not in a few miles of indefinite frontier, or even in possession of the Mongolian steppes, but in the expansionist policies which both simultaneously have carried out in the Far East at the expense of a weak and disunited China.

The Japanese declare that the safety and security of Manchukuo, their "puppet State", is a matter of life and death to the Japanese Empire. And they add that it is idle to speak of "security" for the new State while a huge Red army garrisons its borders, or while disgruntled Chinese elements and Kuomintang propagandists are permitted to use North China to stir up trouble against the new administration.

Japanese Generals are by no means the only "experts" to hold the view that, while their armies are "defensive" and threaten no one, any concentration of troops on the other side is "offensive" and as such unfriendly. Most of the harsh words that have been bandied across the Soviet-Manchukuoan and Mongol-Manchukuoan frontiers arise from this common failing of militarists.

Neither Soviet Russia's repeated declarations that that

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country harbours no designs against non-Soviet territory in the Far East, nor the peaceful surrender of her interests in North Manchuria, prevent Tokyo from levelling against her the charge of harbouring expansionist aims directly conflicting with Japan's self-appointed position as the spokesman and leader of the Asiatic peoples.

"Expansion," declared the Official Spokesman of the Japanese Foreign Office to me, "is possible in four dimensions. By men—as in the case of the British Dominions. By goods—as Germany expanded before 1914. By armed force—as the same nation sought to expand further through war. And, lastly, by thoughts. And it is by this last method that Soviet Russia, through the activities of the Third International, has sought to bring the whole of Asia under her own control."

To which the Soviet replies, in effect, "What we have we hold"—and closes the Trans-Siberian railway line to civilian traffic for days on end while troops, munitions, and the "iron grain reserve" is rushed to the Far East, and the mightiest military concentration ever carried out by the Russian people is completed on the banks of the Amur River.

"Neither side wants war. Both believe it to be inevitable," stated a Japanese editor in 1934. And despite sporadic improvement in the situation, such as occurred in April 1936, when a Commission was set up to investigate and "iron out" Border difficulties along the eastern frontier of Manchukuo formed by the Ussuri River, enough tinder still lies around the Soviet-Mongol-Manchurian frontiers to make that statement as true today as when it was uttered.

Meanwhile, the bloodless "war" of manoeuvre for position is not without its occasional gleam of humour. Thus shortly after the formation by Soviet Russia of the Far Eastern Air Force, a short paragraph was published in the Vladivostok newspapers stating briefly that :

Three squadrons of warplanes carried out bombing practice yesterday. The squadrons flew due east to a point 642½ miles from Vladivostok, and bombed targets in the Pacific Ocean. All targets were destroyed and all machines flew 642½ miles back to their bases safely.

On the day that item of news reached Tokyo those responsible for "directing" the comments of the Japanese

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Press upon foreign affairs called a halt in the stream of anti-Soviet propaganda appearing in the newspapers. Nor were the terms of the Russian communiqué ever communicated to the populations of Tokyo, Osaka, or Kobe. For the distance from Vladivostok to Tokyo, by air, is precisely 642½ miles!

The Russians have proved adepts at the art of irritating Nippon. Items culled from obscure newspapers in Japan are "splashed" in the Soviet Press as though representing the policy of the Imperial Government. An instance of this may be quoted. Early in 1936 the Moscow Press announced that the Japanese Government proposed to invite M. Maxim Litvinoff, Soviet Commissar for Foreign Affairs, to visit Japan. To say that this report astonished the Foreign Office at Tokyo is to put it mildly—as anyone who has witnessed the spectacle of a Soviet citizen attempting to land in Japan will understand.

Inquiries were made, and for some time no justification for the report could be found. Eventually one of the bright young men of the Foreign Office Press Section tracked down the four lines in a small Japanese paper, of which the Foreign Office had not previously heard, stating that "as Litvinoff visits European countries, would it not be a good idea to ask him to come to Japan for a holiday?"

Attractive as is Nippon as a holiday-ground, one cannot quite see its beauties appealing to the practical mind of M. Litvinoff! But what is one to say of the Russian correspondent at Tokyo who was responsible for that canard?

Much has been written concerning the refusal of Japan to sign a non-aggression pact with the U.S.S.R., and the peaceful intentions of that Power towards her Soviet neighbour have been questioned on the ground that she has refused the hand of friendship held out by Moscow.

It may well be true that Japan's desire to "open the door to Outer Mongolia", which the Soviet Government closed in 1924, added to the natural antipathy existing between two nations pursuing different aims and ideals in the same region of Asia, provides all the explanation needed for the failure to trust to "scraps of paper". Treaties mean less in the Far East than they do at Geneva. But if the Japanese

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Government is to be believed, even in this matter of a non-aggression treaty, Japan has been saddled with an opprobrium which she does not deserve.

The story, as retailed to foreign correspondents at Tokyo, is that on December 31, 1931, M. Yoshizawa, former Japanese Minister to China and Ambassador to Paris, set out from France to Japan via Moscow. In the Soviet capital, Maxim Litvinoff gave a select luncheon-party for the distinguished traveller, at which the Soviet Commissar for Foreign Affairs raised the question of a non-aggression pact between the two nations.

Yoshizawa replied that he would consult his Government on the matter upon his return, and, in reply to a question from Litvinoff, added that he expected to reach Tokyo on January 16 or 17, 1932.

At that time the Japanese Minister for Foreign Affairs was Inukai (later assassinated when occupying the post of Prime Minister). On January 12, 1932, the Soviet Ambassador to Japan called upon Inukai and asked abruptly for the answer of the Japanese Government to the proposal of the Soviet Government for a non-aggression pact.

Inukai replied, with truth, that he knew nothing about it. Nor could the Soviet Ambassador give him any information as to when the matter had been raised, or by whom.

The next move in this comedy was the publication, in the Moscow *Izvestia*, on January 17, 1932, of a telegram from the Russian Embassy at Tokyo, stating bluntly that the Japanese Government had declined to sign the Pact!—supported by editorial comment hinting at Japanese intentions to attack Soviet territory.

Faced with this brand of "open diplomacy", Japan could only point out that Russia did not publish any reference to that country's pact of non-aggression with France until the instrument had been initialled by both Powers, whereas in the case of Japan, the Soviet accused her of refusing to accept a proposal *before the diplomat to whom it had been made had reached Tokyo*.

The moral of which story, according to the Japanese Foreign Office, is that "it is not now timely to discuss non-aggression pacts, or any other, with the Soviet Union, but rather the task confronting the statesmen of both nations

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is to settle the frontier 'incidents'¹ and other matters first. Then the question of non-aggression will settle itself."

"When we sign a treaty we respect that treaty," Mr. Amau, the Official Spokesman of the Tokyo Foreign Office, informed me. "In peace-time we need no non-aggression pact with Russia. In a time of emergency no such pact could save us from the results of the unsatisfactory position on the Manchukuoan-Russian frontier, and in Outer Mongolia. A Commission dealing with outstanding questions, which would bring Russians and Japanese to the same table, would be more useful than any number of signatures to documents which 'settle' nothing."

In making that statement, the Official Spokesman had in mind the whole history of Soviet-Japanese relations, which resemble nothing so much as a dog-fight—with muzzles on.

Some quarters believe that the Soviets are becoming conscious of their great strength in the Far East [recently stated Mr. Chuichi Ohashi, Vice-Foreign Minister of Manchukuo]. They have here upwards of 200,000 troops, 900 aeroplanes, 100 tanks, and 40 submarines. They have built 1000 small forts, and the entire border is armed to the teeth.

Despite incidents, indicating unpleasant tendencies, however, there is no real danger of war provided the Soviets do not take the offensive.

Sometimes we are unable to understand the Soviet attitude and actions on the frontier, where trespassing, kidnapping, and shooting are almost daily occurrences.

The Manchukuo side is quiet; however, the opinion is gaining ground that unless Manchukuo and Japan are well prepared, peace in Asia may be disturbed by aggressive action on the part of the Soviets.

Responsibility for this state of affairs lies not so much in past history as in present psychological, political, and cultural differences between the two nations. Japan could forgive a former Russia for seeking to secure a "warm-water port" on the Pacific at Port Arthur. It cannot either forgive or forget Borodin's ill-starred attempt to swing the Chinese revolution over to Bolshevism. Ever since that incident, the Third International has been the official "bogey-man" in

¹ See Chapter VIII.

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Japan. The thought of 190 millions of Russians "sovietizing" 480 millions of Chinese has kept Japanese Generals and Ministers awake at nights, just as it would British Ministers if the Chinese coastline lay only thirty hours away from our own.

The Japanese believe, and the evidence supports their belief, that their very existence is menaced by the operation of treaties they are expected religiously to observe, while forces over which the other signatories have no control have grown to such ominous proportions that the Powers must either guarantee Japan's security against this menace, or stand aside while the Japanese fight their own battle [stated Mr. George Bronson Rea, veteran Far Eastern correspondent in the *Far Eastern Review* (Shanghai), with reference to this fear of Russian expansion in the Far East]. If the Powers decline to guarantee Japan against aggression from *the direction of Urga* and still insist that she faithfully adheres to the letter and spirit of her commitments, as defined by them, there can be only one ending to the dispute. The War of the Races, of the White Man against the Yellow, the war that will make Communism supreme in Asia and hand its vacant spaces over to the prolific Chinese, will have to be fought.

The Japanese have two prime motives for their recent actions on the mainland of Asia. The first is to establish an Empire which will make them dominant in Eastern Asia. The second, arising out of the first and inseparable from it, is to drive a wedge between Soviet Russia and China and lay for ever the spectre of 500 million "Reds" on the doorstep of Japan.

In China, at the dawn of 1936, Marshal Chiang Kai-shek and the Nanking troops had, after seven strenuous campaigns and despite offers by the Chinese "communists" to make common cause against the Japanese, reduced the "Red" menace in the Central Provinces to manageable proportions. But large communist forces, dislodged from "middle China", were reported in North Shansi and the Ordos, regions considerably nearer to the Japanese sphere of influence—and to Outer Mongolia—than Tokyo cared about. Simultaneously with this development came the news that Chinese Turkistan looked like becoming a "second Outer Mongolia". Thus was foreshadowed the forging of a pro-Soviet (and anti-Japanese) chain directly linking North-west China with Outer

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Mongolia and the U.S.S.R. and thereby adding to the danger of a clash between Japan and Russia. In these circumstances it was, perhaps, too much to expect General Doihara and the other Japanese military Commanders to feel overjoyed over the fact that the Chinese Government had "mopped up" the communist forces in the South, and now exercised sufficient control over the Central and Southern Provinces to make the re-emergence of the Reds, in force, improbable within those regions.

Following the establishment of "Manchukuo", Russian influence in the north of that region was completely "liquidated". The province of Jehol is completely in Japanese occupation. Hopei and Chahar, two of the five northern Provinces of China, have become sufficiently Japanese, under so-called "autonomous" Governments, to satisfy even General Doihara, Japan's Emissary-in-Chief in North China. While of the seventy-seven "banners" or leaders, in the purely Mongol regions of Inner Mongolia, fifty-nine had come under the influence of the Japanese by March 1936.

The efforts of China's Central Government to prevent this further extension of Japanese influence and retain the allegiance of the Mongol leaders suffered from confusion of aims. The Japanese originally offered the "plum" of autonomy to the Mongols, whereas Nanking hesitated (owing to the hostility of Chinese interests bent upon colonizing Mongolia with Chinese settlers) and was lost. In April 1936 an Autonomous Mongol Council, independent of China and under the direct guidance of Nippon, was established, with Prince Te Wang, most prominent of Inner Mongolian leaders, as chairman, and all but two of the "Ministries" occupied by Japanese.

Thus, after two years of strenuous effort, the Japanese army won another round in the fight for position in North Asia. The winning over of Prince Te Wang marked the final severance of a large tract of Inner Mongolia from the Chinese sphere of influence. Four months before the formation of this Autonomous Council, the Japanese army had sent twenty truckloads of rifles and ammunition to Prince Te Wang as a "gift" from Tokyo. The Prince refused the gift, whereupon the Japanese stored the shipment close

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to its destination—just in case the Mongol leader changed his mind. Which he did !

That "bloodless" success may, however, yet prove to have been a Pyrrhic victory for the forces of Nippon.

Since Te Wang was generally recognized as the most patriotic and disinterested of the Inner Mongolian Princes, his failure to win support from China and to escape control by Japan has discredited all the princes as a class [Mr. Owen Lattimore has stated]. The natural result among the Mongols would be the emergence of new, radical leaders from among the common people, were it not for the proximity and power of the Japanese army. Hostility towards Japan is therefore latent ; but Mongol patriotism and nationalism has perforce been identified with Outer Mongolia—a complete reversal of the original Japanese hope of enlisting Mongol enthusiasm in the cause of Japan.¹

Whether Japan or the U.S.S.R. is the final depository of Mongol hopes, statements made by the Mongol leaders make it abundantly clear that Nanking played its cards badly.

For months the Central Government promised to make a determined stand to "save" Inner Mongolia. Foreign correspondents who went over the ground coveted by the Japanese army reported that the Chinese would have no chance. Whether in fact they could have held up the all-conquering Japanese will never be known, for in the end not only did the Chinese forces retire without fighting, but—again according to the Mongols themselves—they failed even to carry out a promise to supply arms, munitions, and money to enable the Mongols to resist the invaders. Deserted by China, and with Soviet Russia watching impassively from the other side of the Outer Mongolian frontier, Prince Te Wang and other leaders in that part of Inner Mongolia adjacent to the Japanese possessions remembered the law of self-preservation, and capitulated.

So far the forces of Nippon have had it all their own way. But only so far. For with the swallowing of a huge area of Inner Mongolia, the little khaki-clad warriors reached a frontier defended not by Chinese troops trained in the

¹ In a lecture on "The Eclipse of Inner Mongolian Nationalism", delivered before the Royal Central Asian Society, London, April 1936.

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philosophy that "he who fights and runs away lives to fight another day", but by the soldiers of Soviet Russia—soldiers who believe in the justice of their creed as ardently as any Japanese trooper believes in the Divinity of his Emperor. As the Japanese-Manchukuoan hosts tightened their grip on the plains of Inner Mongolia, the Russians tightened their belts and waited for the next move.

Thus on April 28, 1936, the Japanese army carried the banner of the Rising Sun to the point at which it must either rest on its laurels or accept the challenge thrown down by Moscow. Beyond Inner Mongolia lies Outer Mongolia, the territory from which Red forces expelled White Russians and Japanese in 1921, and which Stalin declares Russia will today defend to the last man. And beyond Outer Mongolia is Chinese Turkistan, nominally Chinese territory but a region which Russia has made strenuous efforts to sovietize. Of these two regions, it is Outer Mongolia, governed by the Mongolian People's Republic and virtually a province of Soviet Russia, which is the linch-pin around which will turn events in northern Asia.

For more than 250 years, during which the Manchu dynasty sat on the Imperial Throne at Peking, Mongolia was commonly regarded as an integral part of the Chinese Empire. The Mongols, however, never admitted to being a subject race of China, but considered themselves the allies of the Manchus, who ruled that country.

Following the Chinese revolution, Outer Mongolia declared its independence, and attempted to unite with Inner Mongolia. The attempt failed, whereupon Outer Mongolia, faced with an invasion of anti-Soviet Russians and Japanese, sought Soviet aid and established a revolutionary People's Government with the direct assistance of Moscow.

Whether Russia's motives in thus coming to the rescue of Outer Mongolia were idealistic or not, there exist today weighty reasons why that country should not permit Japan to continue her westward expansion to Ulambator and beyond—even when such designs are cloaked, in the phraseology of Western diplomacy, by demands that Russia should "maintain the 'Open Door' in Mongolia".

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Strategically Outer Mongolia is vital to Russia. Moscow knows it. And so does Japan. If that region fell into the hands of an enemy of the Soviet State, it would be possible to cut the Trans-Siberian railway and thus isolate the Soviet forces east of Lake Baikal (which means the whole Far Eastern army of the U.S.S.R.) from European Russia. Whatever measure of self-sufficiency Marshal Bluecher's forces may have attained, they could not view such a threat with equanimity. Further, Outer Mongolia contains some twenty million head of live-stock which would form a valuable reservoir of food for that army in the event of any conflict. Finally, through Outer Mongolia and, to a lesser extent, Chinese Turkistan, run the main land routes linking Siberia with Cathay.

Allow Japan to absorb all Mongolia, and Russian goods—or Russian sentiments—could reach China only by permission of the Japanese, and their army would have established itself on a line from which a direct attack upon the Trans-Siberian railway could be made. Kharbarovsk to the east, headquarters of the Soviet Far Eastern armies, from being a fortress, would become a death-trap. It can hardly be a matter for surprise, therefore, if Moscow regards its "protectorate" over Outer Mongolia as a vital interest of Russia in the East.

The importance attached to Russia's predominance in that region may be judged by the fact that it has virtually been a closed province for trade since 1924, while the Manchukuoan-Mongolian Conference, held at Manchouli in May 1935—in an effort to settle the mounting pile of frontier incidents—broke down completely when it was made clear that under no circumstances would the Outer Mongolian Government accept the presence of a Manchukuoan Consular representative (or any other emissary of Japan) at Ulambator. And a serious aggravation of conditions along the 700 kilometres of frontier separating Manchukuo from Outer Mongolia, following this failure, failed to make the Russians change their mind. Even Chinese diplomatic officials, travelling back to Nanking from Siberia, have to secure Soviet permits before being allowed to enter Outer Mongolia en route for home. The door leading to Ulambator has been slammed, locked, and bolted by order of the

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Kremlin. A vast army guards it. It will be opened to none. For on the other side are Russian interests of such strategic importance that their loss would imperil the whole of the Asiatic "Red-lands".

On the other hand, those strategic advantages accruing to Soviet Russia by virtue of her privileged position in Chinese Turkistan, and the fact that the key to the locked door of Outer Mongolia is safely in her pocket, filled the Japanese with fears lest those provinces should prove a spring-board for Soviet penetration into Inner Mongolia, China—even Manchukuo, and undoubtedly influenced the Japanese General Staff in their decision not to rest until Inner Mongolia had been brought safely within the orbit of Japan. That task accomplished, so far as the outlying provinces are concerned (but accomplished rather clumsily; several high Mongol officials appointed by the Japanese themselves in the autonomous Mongol province of Hsingan, in Manchukuo, were shot for not being sufficiently Japanese in sentiment), will the Japanese commanders be satisfied to expand southwards into North China, or will they, bearing in mind the axiom that "the Power which controls Outer Mongolia and Turkistan controls China", seek a show-down with the Soviets?

If such a gamble were decided upon, the issue would inevitably be decided, not on the Mongolian plains, but in Manchukuo—and elsewhere. For Stalin did not make his "what we have we hold" pronouncement until Russia's military concentration on the northern frontier of Manchukuo had been completed and an unknown number of bombing-planes, probably totalling at least 1000, massed within striking distance of the overcrowded cities of the Japanese mainland.

Japan, fully aware of this fact and deeply suspicious of Soviet intentions, borrows a phrase from Mr. Stanley Baldwin, and proclaims that "Japan's frontier lies on the Amur River", demanding that Russia's military strength in the Far East be reduced to a level at which it would no longer "threaten" the State of Manchukuo. Simultaneously with that demand, Japan announced dramatic increases in her armed forces and a corresponding increase in the amount of money poured into the Manchurian venture.

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Thus in the Far East as elsewhere, force and suspicion sow the seeds of bankruptcy and war. Each nation, in seeking to safeguard its position, arouses darker suspicion in the heart of its rival. Each nation experiences the same heavy drain upon its resources.

The Japanese conscripts from Manchukuo with whom I talked reported persistent anti-Soviet propaganda within the ranks "to keep their spirits up", and had been told that, with the Gods of Japan marching in the ranks of the Japanese infantry, victory must crown their arms. More especially as everyone knows that Soviet Russia has no gods at all ! In which claim the Japanese propagandists may prove mistaken. For these troopers of Bluecher's army now massed along the Far Eastern frontier have one god who also marches with them. His name is Lenin. And no man yet knows just how great has been the transformation in the quality of Russia's fighting-men since the Bolshevik comet first flared across a blood-red sky.

If the Japanese despise Lenin, they fear his creed as they fear nothing else on earth. If the Soviets feel confident of their own strength, and desire peace in the Far East for good and sufficient reasons of their own, they watch the rapid spread of Japanese influence in Asia with ill-concealed anxiety. Their nightmare is concerned with those persistent rumours of a German-Japanese military alliance, raising the dread spectre of a simultaneous war on two fronts and in two hemispheres.

If war comes—and even long-predicted wars do sometimes come—the prime cause will lie neither in Japanese aggression nor Russian insincerity. It will lie deep in the psychological make-up of the two nations—in the conflict of mutually antagonistic conceptions of life. The real villain of the piece, in the Far East, is the fear neurosis which grips Tokyo and Moscow alike.

CHAPTER VIII

A LESSON IN LUNACY

HAD the conditions which exist on the Mongol-Manchu frontiers been present anywhere but in the Far East, hostilities between the two nations concerned—or rather between their respective “backers”—could not have been averted. The history of that troubled frontier, and of the Soviet-Manchu boundary along the Amur and Ussuri Rivers farther east, proves again that the standards of the Western world do not govern events in Asia.

Consider the proven facts. In Eastern Asia today there is concentrated an army of approximately 300,000 Soviet troops, equipped with all the panoply of modern warfare including at least 1000 warplanes and 400 tanks, and having as “allies” the Red Outer Mongolian Army consisting of some 75,000 troops, mostly mounted and including mechanized corps, tanks, an aviation corps of some 200 planes piloted and managed by Soviet citizens, and completely mechanized artillery.

Across the frontiers of Siberia and Mongolia, along which this Red Armada watches and waits, is an army of some 40,000 to 50,000 Japanese troops at most, eked out by about 100,000 Manchukuoan soldiers whose reliability in anything more than a brush with banditti is, despite high-sounding names like the “Imperial Guards”, the “Heilungkiang army”, and so on, at least doubtful.

What is to be said of the wisdom of the Japanese High Command which, while demanding another 200,000 troops for the mainland, proceeds to pursue a policy of pin-pricks towards Soviet Russia without worrying overmuch concerning what would happen if the patience of Moscow came to an end—and, I may add, despite the fact that few well-informed observers on the spot are prepared to

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put their money on the Japanese forces, reinforced or not ?

The answer is that the Japanese militarists know, or believe they know, precisely how far they can go in baiting the Soviet Union without their bluff being called. As one witty Far Eastern newspaper-man expressed it: "Tokyo and Moscow must have concluded a secret pact not to make war upon each other in any circumstances, otherwise neither side would take the risks they do."

That the risks are there, anyone can discover by doing a little investigating in Peiping, probably the best city in the world in which to learn the inner history of events along the Soviet-Mongol-Manchukuoan frontiers. Or by making a cursory study either of the Moscow or Tokyo Press.

Thus in December 1935, following the breakdown of an early attempt to open negotiations concerning outstanding disputes along the Mongol-Manchukuoan frontier, an interesting story, illuminating conditions in that part of the world, reached Peiping from the Mongolian (which means Soviet) side of the frontier.

The story opened with a report that several transports loaded with Japanese troops had arrived at Dairen, where the men disembarked and proceeded to North Manchukuo aboard eight special trains.

Next came the announcement, issued by the Manchukuo Foreign Office the same day, alleging that "illegal trespassing of Manchukuo territory by Soviet and Outer Mongolian troops continues unabated", followed by a list of twelve instances in November 1935, and 255 "incidents" since March 1932—in all of which Russia was stated to have been the aggressor.

The knowledgeable ones in Peiping decided that the Japanese militarists were paving the way for some new provocative incident against Outer Mongolia.

The following day, December 19, 1935, the Tass Agency at Moscow reported that on December 18 a lorry carrying twenty Japanese soldiers appeared near the Mongolian frontier post of Bulun-Dersu, near Lake Buir-Nor, and retreated on a signal from Mongol frontier guards that it was on Mongolian territory.

The following morning at 9 a.m. ten vehicles, including an ambulance, appeared at Bulun-Dersu, containing two

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Japanese officers, one White Guard Russian, and about 150 armed troops. This force proceeded to surround the Mongolian outpost and opened fire with five machine-guns. The Mongolian commander thereupon ordered his men to retreat. The Japanese continued to fire upon the Mongols as they retired, killing the assistant commander of the post and several troopers.

So ran the Russian version. The history of the incident as reported by the Official Spokesman of the War Office at Tokyo was slightly different. That official characterized the possibility of a Japanese armed invasion of Outer Mongolian territory as "unthinkable", and declared that the Mongolian troops had been caught on Manchukuoan soil. And he added, naively, that the Manchukuoan authorities had warned the Mongolians that grave consequences would follow the rupture of the recent negotiations designed to settle frontier disputes amicably by the admission of Manchukuoan consular officials into Outer Mongolia.

This statement was followed by another, issued by the Japanese High Command in Manchukuo, which, while admitting that the clash had taken place, alleged that it occurred inside the Manchukuoan boundary, that the Mongols were the trespassers, and stated that the Manchukuoan troops were assisted by some thirty Japanese soldiers engaged in survey work near by. A further report, published in the Manchukuoan newspapers, intimated that the "Japanese army was determined to push ahead the survey work on the western frontier in order to safeguard the new Empire's borders".

It was some days later when the inner story of that incident reached Peiping. According to the version of events which widely circulated in the East, following the breakdown of the negotiations to set up a frontier commission, the Japanese army asked permission of Tokyo to make several raids on Mongolia. While awaiting a reply from the High Command in Japan, a Japanese military attaché stationed abroad intimated to the Commanders on the spot that the complete inaction of the Japanese-Manchukuoan forces, following the breakdown of the conference, would be interpreted by Mongolia and Soviet Russia as a weakness. This gentleman, therefore, was

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alleged to have urged an immediate invasion of Outer Mongolia in order to carry out the threats used by the Japanese during the negotiations—and to have stated that, even if such action led to war between Japan and the U.S.S.R., it would be better than the loss of prestige which inaction would cause. This weighty argument produced such a strong impression upon the Headquarters of the Japanese forces in Manchukuo that orders were issued for one trial raid to be made without awaiting a reply from Tokyo.

Three equally remarkable "border tales" were going the rounds in Peiping during one week in January 1936.

Story No. 1—from a Japanese source—was to the effect that six Soviet cavalymen entered Manchukuoan territory and kidnapped twenty-six Manchukuoans and six horses.

To which the Russians replied that the twenty-six men had crossed the frontier into Soviet territory in order to cut wood for the use of the Japanese garrison near by, and, as the Soviet patrol knew of no contract to supply Russian timber for the use of the Japanese army, they detained the enterprising woodcutters for inquiries. A few days later a strong detachment of Japanese-Manchukuoan troops violated the frontier in an effort to rescue the arrested men, but withdrew when they found themselves up against the Soviet troops.

Story No. 2 was in the correct William Le Queux vein. It arrived in Peiping from Russian sources and concerned a Japanese military 'plane which made a forced landing some twenty-five miles inside the Russian border. In the 'plane were a Japanese officer and a private soldier.

The officer, reconnoitring their surroundings, came upon a Russian peasant, and a fight ensued in which—by methods surely only conceivable on the Soviet-Manchukuoan border—the peasant secured possession of the officer's sword. Having wounded the officer, the peasant marched his captive to a border fort at Pokrovka and handed him over to the frontier guards.

Having made sure that the captive was not seriously injured (and presumably thanked the peasant), the Russians set out to find the stranded 'plane, only to be met with shots and a bayonet fight from the little Nipponese private

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left in charge. One man cannot fight a company, however, and very soon the second Japanese was a prisoner, and, both men being wounded, they were taken to the nearest hospital.

Story No. 3 concerned a group of Manchukuoan officers and some Chinese serving in the Manchukuoan army, who had deserted and surrendered to the Russians in Siberia.

According to their own statements, all the deserters were "fed up" with life in Manchukuo, and anxious to live in Soviet territory; but the Red army had heard that story before, and so, as all had crossed the frontier fully equipped with rifles and ammunition and might well have fought and escaped if not met by a Russian patrol of superior strength, the Soviet authorities on the spot hastened the departure of the unwelcome guests to districts where they could neither discover anything concerning the strength or strategic dispositions of the Red army nor return to Manchukuo.

Reports concerning further acts of aggression against the Mongol-Soviet frontiers by the Japanese and their Manchukuoan "allies" followed thick and fast during the early months of 1936, and will, indeed, continue to flow into the dossier which is doubtless kept somewhere in the Kremlin for as long as present conditions last.

In February 1936 the Tokyo *Nichi-Nichi* published a statement alleging that on February 8, 600 Mongolian troops had attacked Japanese border guards in the Kelemutu district, heavy losses being inflicted on both sides.

The Mongolian People's Government at Ulambator, Outer Mongolia, promptly characterized this report as an invention from beginning to end. According to Ulambator, no frontier clash occurred, either near Kelemutu or anywhere else, on February 8. The Mongols reported, however, that on the following day at 5 p.m. a Japanese-Manchukuoan detachment in six lorries and one passenger-car had raided the territory of the Mongolian People's Republic at Bulundersu, near Lake Buir-Nor, and attempted to seize a herd of horses, belonging to the border guards, which were grazing some eight miles inside the clearly defined frontier. The raiders were driven back by a brisk counter-attack made by the Mongolian border guards.

This provocative invention of the Japanese militarists is explained in well-informed Ulambator circles by the fact that the Japanese are

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obviously in need of arguments to justify new and more serious provocations on the Mongolian border which they are preparing [stated a telegram from Ulambator].¹ That such criminal preparations are taking place is evidenced by the present concentration of Japanese and Manchurian military detachments on the eastern border of the Mongolian People's Republic, also reported in the Tokyo *Nichi-Nichi*!

Later it was reported that the incident at Bulun-Dersu had been more serious than at first stated, and that following the retreat of the Japanese-Manchukuoan force, the Mongols gathered up a large quantity of Japanese military equipment left behind, including fourteen shells for a Japanese 75-mm. gun, two complete boxes of machine-gun ammunition with untouched seals, hand-grenades, and articles of clothing. A further search of the surrounding country brought to light pieces of molten armour belonging to a Japanese light tank which had participated in the "battle" and been hit by a well-directed Mongol shot, 123 empty shell-cases from a Japanese field-gun, a Japanese fur coat with red shoulder-straps from which the regimental badges had been removed, several zinc boxes full of bullets, and gas-masks, the location where these articles were found completely refuting—according to Moscow—the Japanese version that the main battle had occurred as the result of a raid of Mongolian forces on Manchukuoan territory.

On March 5, 1936, the Soviet Army Headquarters at Kharbarovsk, Siberia, reported that at noon on that day a group of workers employed by the Amur State River Steamers, who were carrying out dredging operations south of the village of Yeketerino-Nikolskoye, close to the Soviet shore, were suddenly fired on by Japanese-Manchukuoan troops travelling in a motor-car along the opposite (Manchukuo) shore of the river.

After the firing of some thirty shots, which forced the unarmed Soviet workers to retreat, five Japanese soldiers left the car and proceeded across the frozen river (thereby also crossing the Soviet frontier) and examined the works in progress, later returning to their car and departing.

The fact that river-works were proceeding at that point had been reported to the Manchukuoan authorities by

¹ *Moscow Daily News*, February 11, 1936.

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M. Slavutsky, Russian Consul-General at Harbin, Manchukuo, as far back as January 17, 1936.

On March 24, there occurred a far more serious infringement of the troubled frontier—this time against Outer Mongolian territory. This "incident" involved a three-day battle between the rival forces, instigated by the Japanese, which was indistinguishable from actual warfare.

It began at 3.15 p.m. on March 24, when a mixed Japanese-Manchukuoan detachment in three military lorries attacked the Mongolian border post at Mongol-Dzagas, near Lake Buir-Nor, a notorious danger-spot along that frontier. Cross-firing ensued, during which the attacking party was reinforced by the human cargoes of four more lorries. Eventually, under hot Mongolian fire, the attackers withdrew.

The following morning, about 200 Japanese-Manchukuoans concentrated near a fisherman's house about two kilometres to the north of Mongol-Dzagas, and towards evening they opened rifle and machine-gun fire on the Mongolian post, at the same time bringing artillery into action. The Mongolians fought back, but, in view of their numerical weakness compared with the invaders, they withdrew from the post under cover of the darkness. At daybreak the next morning, March 26, the Japanese-Manchukuoans, upon discovering that the "enemy" had flown, crossed the Khalkhin-Gol river and occupied the post, from which they did not depart until, later that day, a Mongolian warplane made its appearance. Fearing a counter-attack by superior forces was in preparation, the invaders thereupon recrossed the river and withdrew into Manchukuoan territory.

Further raids by Japanese-Manchukuoan detachments were reported from the same district during the following days. On March 29, two groups crossed the Mongolian frontier and attacked border posts at Adyk-Dolon (situated nearly *forty miles* within the Mongolian border owing to the existence of a wide stretch of desert at this point) and Bulun-Dersu, scene of the previous attack. At the latter post the Mongols, having by this time received reinforcements, inflicted losses in killed and wounded upon the invaders. Further clashes occurred during the night of March 31–April 1, during which the Japanese-Manchukuoan

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troops attempted to capture Tamsyk-Bulak, but were driven off by Mongolian forces which finally forced them to evacuate Mongol territory after inflicting heavy losses.

While the fires of war were thus being stoked up along the Manchukuoan-Mongolian frontier, a serious clash was reported between Japanese and Soviet troops on the Soviet side of the Russo-Manchukuoan boundary. According to the official protest which, following this incident, was lodged with Tokyo by B. S. Stomonyakov, Assistant Commissar for Foreign Affairs at Moscow, the Japanese detachment had crossed the border at the very spot where Border Sign No. 8 clearly showed its position. They had attacked Soviet frontier guards on Soviet territory and withdrawn only when a counter-attack was launched against them by Red forces.

To all of which the Japanese Government replied by making a counter-protest, alleging that the Japanese detachment had not violated Soviet territory, but had been subjected to an unprovoked attack from the Soviet side, as a result of which "aggression" the whole unfortunate incident had occurred.

In this case, however, irrefutable evidence existed in support of the Soviet version of the facts. In the first place the Russians had picked up within Soviet territory following the engagement a goodly array of trophies, ranging from "two slain Japanese bodies", 1600 used cartridge-cases, 340 Japanese cartridge-belts, three bags of carrier-pigeons, and a file filled with copies of Japanese despatches, to "one blood-smeared Japanese military helmet". And, further following diplomatic negotiations between the two Governments, the bodies of the two Japanese soldiers left dead on the field of battle were handed over, on April 2, with full military honours "usually accorded by the military forces on both sides" in the presence of high officials and detachments of both Japanese and Soviet troops. And the Soviet military authorities, in accordance with the terms of the agreement for the return of those slain Japanese warriors to the land of their fathers, secured from the Japanese Commander a receipt for the delivery and reception of "two bodies of Japanese military men killed on Soviet territory during the clash of March 25, 1936—one being an officer with the rank of captain, and the other a private"!

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Still the dynamite continued to pile up. In April 1936 it was twelve Manchukuoan soldiers, felling timber on the Soviet island of Mofinsky, on the Ussuri River, who fired on Russian border guards (no possibility of argument concerning who owns the island, which was clearly shown as Russian territory on the maps attached to the Peking Treaty of 1861!). In May it was a mixed Japanese-Manchukuoan force of twenty-five men which fired on a Soviet border patrol to the north-west of Border Sign No. 6, 18 kilometres to the west of Novo-kiyensk, later penetrating half a mile within Soviet territory and there, from a prone position, continuing to direct their fire against the Soviet guards, who retreated to avert a more serious "incident".

In all the foregoing violations of the Soviet and Mongolian frontiers, Japan or Manchukuo is alleged to have been the aggressor. The devil's broth of war is, however, being freely stirred on both sides of those frontiers, and it would not be difficult to "pair" every such incident with another in which, according to Tokyo and Hsinking, Soviet or Outer Mongolian troops were the "niggers in the wood-pile".

Thus strong protests were lodged by Manchukuo with the Soviet authorities following the landing of a Soviet military 'plane near Jaoho on January 12, 1936. According to the official Japanese version of this incident, the Soviet fliers, after making a forced landing at Tselingmeho, forty kilometres south-west of Jaoho, were met by a score of bandits, whom they persuaded to assist in the destruction of their machine. After the 'plane had been burnt, four machine-guns and 2000 cartridges from it were presented to the bandits, "who were taught by the aviators how to use them".¹

Later the Russians were conducted by the bandits to the border, while the arms and ammunition was used in an engagement between the outlaws and a Japanese-Manchukuoan force in the district.

Again, on February 12, 1936, a group of about 100 Outer Mongolian soldiers suddenly penetrated into Manchukuo near the frontier post at Enchun, and stole 120 horses. The raiders fired shots at the Manchukuo frontier post as they retreated.

A few hours later—according to the Tokyo Press reports—

¹ *Japan Advertiser*, February 19, 1936

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200 Outer Mongolian troops armed with field-guns and machine-guns, and supported by three bombing-planes *alleged to belong to the Soviet Air Force*, invaded Manchukuoan territory and occupied the town of Olahodka, from which they were expelled by a mixed force of Japanese-Manchukuoan troops.

Commenting upon this incident, the War Office of the Manchukuoan Government announced that it possessed definite evidence that the invaders, belonging to the 5th Cavalry Division of the Outer Mongolian army, were commanded by Soviet officers, while official Manchukuoan sources pointed out that the "incident" was quite different in nature from those which had previously occurred along the Mongolian-Manchukuoan frontier in that two 'planes penetrated deep into Manchukuoan territory and attempted to bomb the Japanese-Manchukuoan force advancing against the raiders. "Such an outrage," declared the Manchukuoans, "is quite unprecedented in modern history except in time of war," and the same officials added, with unconscious naïveté, that "although the relations between Manchukuo and Outer Mongolia are hardly normal, no declaration of war has been made on either side".¹

Only two days later, Hsinking, the new "capital" of Manchukuo, was reporting yet another incident. At 9 a.m. on February 15, 1936, about 1000 Outer Mongolian troops, supported by four armoured cars, made a sudden swoop into Manchukuoan territory and attacked an outpost at Assailsuma, Dalai. "After several hours of severe fighting the invading force was repulsed by a Japanese-Manchukuoan joint company."²

So the number of "pin-pricks" mount dangerously. Manchukuoan patrols would appear to experience the greatest difficulty in keeping on the right side of the frontier, and Japanese military airmen have made forced landings in Soviet territory under circumstances in which no great perspicuity was needed to discern their "mission".

We have to keep a whole army on the Manchurian frontier in order to prevent promenades into Soviet territory by Japanese tourists with machine-guns

stated *Izvestia* on February 8, 1935.

¹ *Japan Times*, February 14, 1936. ² *Japan Advertiser*, February 16, 1936.

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It is extremely regrettable [stated the Foreign Minister of the People's Government of Outer Mongolia in a note delivered to the Manchukuoan Government concerning the incidents on the Manchukuoan-Mongol frontier already described] that instead of meeting our lawful demands stated in the Note, you declare an entirely unfounded protest to us and demand the evacuation by us of Manchukuoan territory allegedly seized by our forces.

The Government of the Mongolian People's Republic is filled with desire to maintain peaceful relations with all its neighbours, and is prepared to do everything within its power to maintain peace and tranquillity on its borders.

Nor have the big guns of Eastern Asia been silent concerning a state of affairs which directly imperils the peace not only of remote Asian plains but of the world.

In the course of a speech made in the Japanese Diet on May 6, 1936, Mr. Hachiro Arita, Foreign Minister of Japan, declared :

We desire for the sake of peace in East Asia the maintenance of normal and peaceful relations between Japan and Manchukuo on the one hand and the U.S.S.R. on the other. It is scarcely necessary to say that neither Japan nor Manchukuo harbours any aggressive designs. That there should occur, nevertheless, incidents such as have so frequently occurred in recent months along the frontiers both between Manchukuo and Outer Mongolia is most regrettable. Our Government have already called the attention of the Soviet authorities to the fact that wanton resort to arms on a dogmatic assumption that a trespass has been committed upon their territories, where there exists no clear border demarcation, can serve no useful purpose, and only injure the friendly relations between the nations concerned. I take this occasion to emphasize this point again most strongly.

After referring to the setting up of a Border Commission to inquire into disputes that have occurred along the Ussuri River section of the Soviet-Manchukuoan frontier, Japan's Foreign Minister continued :

The present relations between Japan and the Soviet Union cannot be said to be altogether felicitous. The fundamental cause of this unfortunate state of things lies, if I may say so frankly, in the lack of comprehension on the part of the Soviet statesmen of Japan's position in East Asia, coupled with their baseless fears and suspicions. The fact

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that the Soviet Union maintains excessive armaments at her remote outposts in the Far East constitutes a real menace in this part of the world. I desire to state definitely on this occasion that Japan in her solicitude for the peace of East Asia cannot remain indifferent to that fact.

During the same month, General Terauchi, Minister for War in Japan, stated, at a secret session of the Diet on the subject of relations between the two countries that the construction of numerous forts along the Russian side of the Manchukuoan-Soviet frontier was "undoubtedly aggressive"; that Outer Mongolia was completely controlled by the Soviet Union, "thus tending to encircle Manchukuo" (the creation of which State is seen by Russia to menace the whole of the Soviet territories east of Lake Baikal); that this situation forced Japan to augment her forces in Manchuria and that, in view of these facts, the Japanese army was opposed to the conclusion of any non-aggression treaty with the U.S.S.R.¹

On the other side of the fence, Marshal Bluecher, Commander of the Special Red Banner Far Eastern Army of Soviet Russia—to give that force its full title—had, following the incidents of the early days of 1936, issued a remarkable "order of the day" to the troops under his command.

The Red Army stands as a formidable, invincible force on the Soviet frontiers, guarding the happy, joyous labour of the workers and peasants [declared the Russian Commander-in-Chief in the Far East]. The Soviet Government is firmly and undeviatingly pursuing a policy of peace. But the world imperialist beasts of prey, the Fascist Generals both in the West and in the East, are untiringly sharpening the knife against the fatherland of the toilers of the whole world.

In 1929 the white Chinese Generals, at the instigation of the imperialists, attempted to test the might of the Soviet Union, but encountered the sharp Red Army bayonet of the Special Far Eastern Army. This lesson, however, proved insufficient for the enemies. The menace of a military attack is again hanging over the Far Eastern frontiers of the Soviet Union.

The playing with fire along our Far Eastern frontiers is not ceasing. The Japanese militarists are stealing up to our frontiers both directly and through other territories. Attempts of ever-new viola-

¹ *Shanghai Evening Post and Mercury*, May 13, 1936.

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tions of our frontiers on the part of Japano-Manchurian military detachments are not ceasing or declining.

The Special Red Banner Far Eastern Army must, as never before, be on the alert ; at any hour, *at any minute*, it must be ready to offer crushing repulse to all those who will dare to fall upon our Socialist Fatherland.

The Special Red Banner Far Eastern Army must raise still higher its revolutionary vigilance and fighting readiness.

The order called for absolute fighting and political preparedness, for the perfect mastery, throughout the ranks, of formidable fighting technique, and its application to the mountain *taiga* conditions of the Far Eastern terrain.

What lies behind this lesson in lunacy ? For lunacy it would appear to be, when few days pass without adding to the already dangerously long list of warlike "incidents" along the troubled frontiers.

One reason, doubtless, is that both sides are very willing to pile up charges against each other, in the hope that if a conflagration comes, each can prove the other to be the "aggressor".

More important, however, in its effect upon relations along those frontiers, is the plan, openly propagated by influential circles within the Japanese army, to form the whole of Mongolia into yet another "puppet State", propped up—or held down—by Japanese bayonets. This State would be composed of Inner Mongolia, Chahar, Outer Mongolia, and the territories of the Buriat Mongols. As Outer Mongolia is virtually a Soviet "protectorate", and the territory of the Buriat Mongols is and has long been an integral part of Siberia, to carry out that plan the Japanese forces must wrest from the maw of the Soviets some 900,000 square miles of territory in Outer Mongolia alone—an ambition which is quite enough to explain both the activities of the Japanese and their "allies" on the Outer Mongolian frontier, and the jumpiness of the Russians, which may from time to time cause them to "jump" on to the wrong side of the borderline !

Even the existence of this grandiose plan to create another "puppet State" at the expense of Soviet Russia does not, however, get at the root of the matter. As for the "undelimited" frontiers—every boy in Mongolia or Northern

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Manchukuo knows where those frontiers run. Their course has been accepted without question for more than a generation past, except at one point. In the extreme east, where the Ussuri and the Amur Rivers meet, there is an area of delta land, about ten miles square, which by its strategic position controls the traffic on both rivers. This land forms a triangle, and at its apex, on the Siberian side, stands Kharbarovsk, headquarters of the Soviet Far Eastern army. Kharbarovsk has, not unnaturally, been heavily fortified, and the Japanese declare that those fortifications, behind which live Marshal Bluecher's army, "constitute a constant menace to Manchukuoan shipping on the rivers".

Apart from that one point, concerning which there is some uncertainty, the course of the Manchukuoan-Soviet frontier was quite clearly established by the treaties between China and Russia. Until the occupation of Manchuria by the Japanese, there were no "incidents" along that line. Even during the "reign" of Chang-Tso-Lin in Manchuria, a war lord well known for his anti-Russian sentiments, peace was maintained unbroken. It is the contention of Moscow that the constant incidents which have occurred during the past two years or more have taken place not because of any lack of clarity concerning the frontier lines but in order to create an impression that there exists a lack of clarity, and to force the revision of that frontier favouring the strategic dispositions of the Japanese force.

The fundamental motive which lies behind the present strained relations between Japan and the Soviet Union goes deeper than such trifles. It is fear. The Japanese fear a possible Bolshevization of China, brought about either by the Moscow-inspired Chinese "Reds" or by direct Soviet intervention. They fear intervention by the Western Powers in China. They fear the military power of Russia, as revealed by the creation of the Far Eastern army. They fear those Red bombing-planes. They fear a southward thrust of the Soviet legions. Above all, they fear that Soviet Russia, as the only first-class military Power in Asia apart from themselves, may thwart their designs to maintain predominance in the Far East.

Confronted with these anxieties, which have assumed the dimensions of phobias in the minds of the Japanese

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militarists, Japan decided to get her blow in first, and by creating a *cordon sanitaire* of Japanese-controlled territories from Dairen to Ulambator, to checkmate Soviet Russia in Asia, while at the same time providing the Japanese forces with a strategic base from which she could, in necessity, effectively demonstrate to Russia both her determination and her ability to remain the Overlord of Asia.

Regarding the first of these fears, General Neiiji Okamura, of the Japanese General Staff, has declared bluntly :

The Red armies of China are very efficient fighting units, and, in view of the fact that Nanking does not seem to be able to annihilate them, it will be up to the Nipponese to take some concrete measures against them. For this purpose it will probably take somewhere near 100,000 Japanese troops to drive them out of China. We are ready to co-operate with General Chiang Kai-shek in this respect.

Viscount Saito, Lord Privy Seal of Japan, asked in February 1936 whether the military would get their 100,000 troops to clean up China, replied, "No." Less than a fortnight later the veteran statesman lay dead where junior officers of the Japanese army shot him down in the bloody *coup* of February 26. But the demand of the Japanese army for 100,000 troops to clean up China remained very much alive, and the strength of her garrisons in North China steadily increases.

The second aim—to circumvent Western aid being extended to China—is, as mentioned elsewhere, a cardinal point of Japanese foreign policy.

Japan and China [stated Mr. Arita, Minister for Foreign Affairs at Tokyo on April 26, 1936], bound by ties of blood and culture in mutually interdependent relations, must join forces for the furtherance of their common prosperity. We must, as the two greatest nations of East Asia, promote friendly and effective co-operation to ensure the stability of this part of the world. I ask critics of Japan's China policy to look at the realities of the situation and put themselves in our place. All we desire is to assure our national life and work for our own peaceful development.

A Japanese "spokesman", quoted by Mr. William Philip Simms in the *San Francisco News*,¹ declared :

¹ December 25, 1935.

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Whereas the Western Powers have only a very minor interest in the region of China immediately south of the Great Wall and in Inner Mongolia, what happens there is for Japan a matter of life and death. While, concerning the phrase in the Lytton [League of Nations] Report, which runs: "Since the conditions [reforms] enumerated above cannot be fulfilled without a strong Central Government in China, the final requisite for a satisfactory solution is temporary international co-operation in China", the same spokesman declared that "Japan sees danger in Western intervention in China, however much we realize the peril arising from Chinese instability".

It is clear, therefore, that behind Japanese expansion in Mongolia, and the threatening situation on the Outer Mongolian-Siberian-Manchukuoan frontiers, is an issue greater than any local frontier squabble, or even than the destiny of Outer Mongolia itself. That issue is nothing less than Japan's right to assume the leadership of Eastern Asia—and her refusal to countenance any extension of Russian influence within that region.

In pursuit of these related aims, Japan has taken and is taking enormous risks. At a time when Moscow, celebrating the eighteenth anniversary of the foundation of the Red army, was asserting that Soviet Russia possesses a force of 1,300,000 men on a peace footing, and when it was common knowledge that Russia had concentrated 75,000 troops in the Lake Baikal region, some 200,000 along the Amur River, and another 75,000 in the Maritime Province, the Japanese army, with only some 45,000 trained Japanese troops in Manchukuo, was calmly envisaging war with Russia. And the fact that those wielding real power in both countries were, for good and sufficient reasons, unprepared to precipitate an immediate conflict, in no way excuses the men who continued to throw lighted matches about among the dynamite piled high on those frontiers.

Recognition of the dangers arising out of Japanese expansion to the frontiers of Siberia was responsible for the impressive effort which Soviet Russia has been making to improve her transportation facilities between Europe and the Far East. In one respect at least Moscow is determined that history shall not repeat itself. If war comes, the communications linking Marshal Bluecher's Far Eastern

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Army with European Russia will be immediately superior to anything existing in 1905—or 1930.

In two years the Soviets have completed the double-tracking of the 4500 miles of the Trans-Siberian railway, the longest railway line in the world, and, further, constructed a modern motor highway, 600 miles long, linking Kharbarovsk, headquarters of the Far Eastern army, with the port of Vladivostok.

The completion of the double-tracking of the Siberian railway by the middle of 1936 was an undoubted triumph for the Soviets. Such was the importance attached to the task that the work continued by day and night shifts (the latter working by floodlights) throughout the extremely cold winter of 1935-36, when in Siberia the mercury frequently registered seventy degrees below zero. Day by day, aided by the most modern rail-building equipment available, and tons of explosives to clear the way, the "bed" along which now run the Trans-Siberian trains was pushed ever eastward, until Russia's "life-line" between East and West was completed.

Not content with that achievement, the Russians are hurrying forward the construction of another giant new East to West railway system, linking the 7500 miles from Odessa, on the Black Sea, with the Pacific Ocean. Some sections of this new line are already completed, and when opened it will permit the manufactures—and the manpower—of southern European Russia to be transported direct to the Far East.

The third link in the chain which strengthens Kharbarovsk as the focal point in Soviet Russia's defences in the Far East is the new "Stalin Highway" between that city and Vladivostok, along which passenger-cars can travel between the headquarters of Russia's Far Eastern army and her principal Pacific seaport in eighteen hours, while motor-lorries, loaded with either goods or soldiers, can complete the journey in less than thirty hours.

This highway, which will eventually be continued to Moscow, is one of the most complicated and important road projects ever completed in Russia. During the construction of the Vladivostok-Kharbarovsk section 9,000,000 cubic metres of earth were excavated, 100 square kilometres

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of swamp, previously considered impassable, were drained, and dozens of bridges and tunnels were constructed.

The Far Eastern section, completed in eighteen months of high-speed work, is equally important from the economic and military viewpoints. It will afford a new outlet for Siberian freight traffic, thus relieving overburdened railways and river steamers. It will also enable the Russian Military Command to send troops speedily to the defence of Vladivostok if, as her military experts have long believed probable in the event of a war with Japan, that nation selected the Pacific port as the first point of attack.

Other projects of immense strategic importance have been hurried to completion behind the curtain which the Soviets have thrown over their Far Eastern territories. Since the last foreign correspondent visited Kharbarovsk, a chain of underground aerodromes—bombproof and gasproof—have been constructed to accommodate the air arm of the Far Eastern army. Barrack accommodation has been hurriedly constructed, oil and food “dumps” have appeared at points indicated in the grand plan for the defence of Eastern Siberia. Hundreds of miles of frontier have been fortified far more thoroughly than anything previously known in Asia. Quietly and without that fanfare of publicity which is usually associated with the achievements of Soviet Russia, a programme of “preparedness” calling for efforts little short of those needed for the first Five Years Plan has been steadily pushed to its conclusion.

Evidence of the extent of Russia's preparedness is afforded by the growing expenditure on armaments revealed in the national accounts (although these, of course, refer to the strengthening of the European “front”, following the Nazi revolution in Germany, as well as the Far East). In 1934 Russia expended 5 billion roubles on defence. In 1935 the amount was up to 8.2 billion roubles. For 1936 estimates amounting to 14.8 billion roubles were presented. During the same years peace-time strength of the Soviet armies has risen, according to published figures, from 940,000 men to 1,300,000. Behind this regular army stand the 1,000,000 volunteers in Marshal Voroshiloff's sharpshooters. And behind the military strength thus created

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stands a vast nation numbering 190 million people today—and a predicted 300 millions by 1975 !

At the end of that mighty effort, one striking fact may be stated concerning that Far Eastern Red army around which an almost impenetrable cloak of secrecy has been cast. It is the first Russian army in history, operating in Siberia, to be completely self-contained. It has, out there on the shores of the Pacific, its own munition factories, barracks, hospitals, ordnance works, food supply, and headquarters, the whole linked by a network of strategic roads, and guarded from prying eyes by the Far Eastern Air Force which "holds the skies".

"Marshal Bluecher's men could fight a two years' campaign without wanting even an overcoat button from Moscow," declared an officer of that Far Eastern force to me recently. Allowing for some exaggeration, informed opinion is agreed that Russia has carried out an impressive piece of work in those inhospitable regions. And the consensus of expert opinion on the spot believes that the Soviet army would prove a more formidable antagonist than some quarters in Japan imagine.

The Japanese armed forces, on the other hand, suffer from a fixed belief that they are "unbeatable".

During the early days of the Japanese occupation of Manchuria, bands of Chinese guerilla fighters appeared, declaring that they had been, as patriots, invested with immortality, and that neither Japanese bullets nor bayonets could slay them.

For some months these patriotic bands enjoyed enormous prestige among the Chinese inhabitants by the simple process of avoiding any major clash with the Japanese forces. But in the end circumstances forced them to stand and fight—and at that moment the legend of their "invincibility" and their prestige alike vanished into thin air.

The Japanese armies are today suffering from the effects of a similar legend concerning that country's "sacred mission" to dominate the Pacific arena and the impossibility of anything—or anyone—administering a check to their vaulting ambitions.

Those who know best the quality of that army, and who saw units of the Japanese forces in action at Shanghai in 1932, take a more guarded view concerning its claim to omnipotence.

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The truth is that the rank and file, recruited from peasant homes, represents magnificent fighting material. The ranks are permeated with ideals of patriotism, selfless service, and a faith in Japan and its mission which is indistinguishable from a religion. The average Japanese trooper, however, possesses less personal initiative than most soldiers. The army has no non-commissioned officer class comparable to that found in the British army. The strength of the Japanese military machine, as a fighting force, therefore depends almost entirely upon its leadership. And it is precisely at this point that a doubt concerning that common belief in the supremacy of Japanese arms arises.

In the latest Japanese military manuals you will find an account of the "model" battle of Angangshi, a town between Harbin and Manchouli, which was fought and won by the victorious Nipponese during the conquest of Manchuria. The battle-plans were carefully prepared beforehand, and in the course of a three-day conflict—*vide* Japanese military history—the troops attained all their objectives and put the Chinese to rout.

The methodical planning and execution of that battle are alike an impressive reminder of the efficiency of the Japanese General Staff—unless, that is, one happens to know the one fact which the Japanese history suppresses. Which is that the Chinese forces withdrew in the middle of the battle! This fact in no way disturbed the Japanese Commanders on the spot; according to plan, Angangshi was due to be captured by a brilliant flank attack the next morning. And the next morning the brilliant flank attack against a non-existent enemy was duly carried to a triumphant conclusion. Not until those carefully hatched plans had been carried out to the last inch, and the last shot, was the action against the enemy—that-wasn't called off. And today you will be informed, in Japanese military circles, that the operations at Angangshi were a complete success!

The recent history of the High Command, and the political activities of officers within the army, provide a further cause for doubt concerning the efficiency and elasticity of mind of the leadership which would be forthcoming in the event of a campaign against a major Power. "Policing" actions, and mopping up guerilla fighters and

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bandits in Manchukuo and Northern China provide no real test of the quality of the "brains" behind the khaki-clad Nipponese—and even such minor engagements have provided items of news suggesting that, so far as the land forces of Japan are concerned, the leadership available is not all it might be.

The same holds true of the air force, raised to the status of a separate arm of the Japanese Services by Imperial Ordinance in July 1936. If the army pilots, receiving their training over mountainous country noted for its cross-currents and air-pockets, deserve the highest praise for their determination and personal courage, it still remains a fact that the average Japanese is neither air-minded nor at home in the clouds. While some develop the necessary initiative, many others lack the capacity for making swift decisions which is the very essence of aerial warfare.

It is useless wondering what your Colonel would order you to do if you are in a tail-spin, or have five attacking planes closing in on you. You have just got to do something about it yourself.

That Tokyo is nervous concerning the possible effects of aerial warfare is obvious enough. As the local saying has it: "It is farther from Japan to Siberia than from Siberia to Japan"—by which is implied that while, in the event of a conflict with Soviet Russia, the vast territories of Siberia would present few important targets for Japanese airmen to attack, the aerodromes of the Soviet Far Eastern air force would be within easy flying range of Kobe, Osaka, Kyoto, and Tokyo—overcrowded modern cities no easier to defend from air attack than London or Paris.

Hence the importance which Japan attaches to gas-parades for the populace, and even for school-children, and the emphasis which is placed upon the "traditional Japanese spirit" which is reputed to face any emergency without panic. Hence, too, the frequent air defence exercises such as plunged Tokyo into darkness on the night of July 23, 1936, following the mobilization of 230,000 volunteers to assist in repelling the "attacking force" and in maintaining order. On that and similar occasions since, twenty miles of factory lights were dimmed. Shops, restaurants, and theatres were closed. The life of

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Tokyo came to a standstill. And at the end of it all the military expressed themselves as "satisfied". I wonder.

Some idea of the thoroughness with which such preparations for aerial defence have been made may be judged by the fact that a year or so ago the opinion of American scientists was sought as to what would happen in the event of a hostile bombing-plane dumping its cargo of explosives into the crater of an active volcano! The answer was "nothing". Unfortunately, volcanoes are more placid under provocation than human beings.

At sea, on the other hand, Japan is supreme within the waters adjacent to her territories. The Russians have transported an unknown number of submarines in pieces to the Pacific coast, and there assembled them for coastal defence. But it is beyond the bounds of practicability that the Soviet Union could, even within a term of years, seriously hamper the full deployment of Japanese naval power, or the landing of troops along the coastline of the Far Eastern Republic should war come and the Japanese decide upon such a course. It is, indeed, more than doubtful whether naval Powers as strong as Great Britain (taking into account her scattered trade routes and world interests), or the United States, could alone challenge successfully the naval might of Nippon in the Far East.

At the time of Japan's withdrawal from the London Naval Conference, the Japanese Fleet consisted of 9 battleships, 12 first-class cruisers, 24 second-class cruisers, 5 aircraft carriers, 3 seaplane carriers, 5 submarine tenders, 106 destroyers, 67 submarines, 9 torpedo-boats, and sundry other craft, making a total of 305 warships of all descriptions flying the standard of the Rising Sun.

These figures do not include warships under construction at that date, nor take account of those plans for strengthening the navy which have been prepared at Tokyo since Japan, by her denunciation of the Washington Treaty, regained liberty of action.

The personnel of the Japanese navy has increased in numbers from 64,000 in 1918 to 80,000 in 1932. More important than numbers, however, is the fact that the Japanese are a genuinely maritime nation, and that the individual efficiency of her sailors is equal to that of any

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nation in the world. In this respect, above all others, she has deserved the title of the "Britain of the East". Ably led and superbly equipped, there is no reason to doubt that the sea-warriors of Nippon would prove, in any conflict in which sea-power was the deciding factor, all that their countrymen believe them to be.

One other factor, which may yet prove in history to be of decisive importance in the destiny of Japan, is the "national spirit" of that country, which is discussed elsewhere in this volume.¹ Compounded of reverence for the Emperor, an intense nationalism and love of race, this national spirit not only permeates the armed forces, but is reflected in every department of life. While the antithesis of Communism, it corresponds to the belief of the sincere communist in the justice of that creed; it is indeed, one of the supreme ironies of history that these two nations, each loathing the other's philosophy and outlook of life, should have been brought face to face across common frontiers.

On one side of that frontier is a nation expressing ideas repugnant to the whole history and ideology of Japan. On the other is a nation which fears and mistrusts Soviet intentions, and views with ill-concealed alarm the piling up of arms adjacent to the new Japanese possessions.

It is simple to predict the coming of the "inevitable war", but wiser to point out that, while the tension is natural, a second Russo-Japanese war would prove unprofitable to both contestants.

If Japan selected the arbitrament of armed might, won the resultant conflict, and moved her frontier to Lake Baikal, the victory would give her the Far Eastern Republic and clear Soviet Russia out of the Pacific. But it also would leave Japan, established in Eastern Siberia, with a country unsuited for Japanese colonization on her hands, and an irredentist problem (in the shape of twenty million communists waging guerilla warfare against her) beside which the problem of those "bandits" in Manchuria would pale into insignificance. Victory would also create a new common frontier with Soviet Russia along which "incidents" would multiply until a further explosion blew it out of existence.

¹ See Chapter VI.

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For two years past both nations have been manœuvring for position. Probably both have been bluffing. The real danger is that incidents along the frontiers may multiply to a point which makes a peaceful settlement of the issues impossible, or that some unit along the Amur River, or the Mongol-Manchukuoan frontier, may get out of hand and precipitate a situation in which Tokyo and Moscow would alike be powerless. Hence the importance of the news, announced at Tokyo on April 28, 1936, that M. Yureneff, the Soviet Ambassador to Japan, had informed Mr. Arita, Japanese Foreign Minister, that Moscow had accepted the Japanese suggestions regarding the two joint Commissions to be created to attempt a settlement along the extreme eastern section of the troubled frontiers: one Commission to investigate and adjudicate on disputes such as those outlined earlier in this chapter, and the other to examine, and where necessary to redemarcate, the frontier.

If, despite this straw in the wind, the much-boomed "inevitable war" really proved inevitable, who would emerge the victor? No one knows, not even the Japanese High Command. The nearest to a reply to that conundrum which I was given in Eastern Asia was the comment of a Japanese General in Northern China who said: "We shall win the first three months. I am not prepared to predict beyond that."

Perhaps there is a clue to the possible fortunes of the two nations, if they ever pit their military strengths against each other, in another comment, made by a foreign newspaper correspondent who has spent thirty years in the Far East.

"If war comes," he said, "Soviet Russia has the men, the tanks, the aeroplanes, the gas, and a self-supporting Far Eastern army, independent, or largely so, of railways for the first time in history. The indications are that the Soviets should win—unless, that is, they forget all the carburettors for their bombing-planes at the last minute! In other words, Japan's main chance in such a conflict would arise out of Russian mistakes in detail."

Do the Russians still make such mistakes? If national rulers are unwise, history will supply the answer to that query out there on the Mongolian plains and the vast expanses of Eastern Siberia. But if wisdom reigns at Moscow and Tokyo, there won't be any answer.

CHAPTER IX

MANCHUKUO—THE ORPHAN STATE

ON March 1, 1932, a new nation came into being in Eastern Asia. Its name is Manchukuo. Two years later, on March 1, 1934, a monarchical form of government was created and Mr. Pu Yi, the Chief Executive of the new State and one-time Emperor of China, became "in accordance with the will of heaven and the wishes of the people" the first Emperor of Manchukuo.

True, there are some people in the world misguided enough to persist in believing that China's three Eastern provinces are today owned, garrisoned, administered, and developed by Japan in the interests of that nation. But Japan knows better. The Republic of El Salvador, which granted recognition to Manchukuo on March 3, 1934, knows better. Above all, the Government of Manchukuo knows better!

Dignitaries of that Government, seated in offices built by Japanese money with Japanese materials, guarded by Japanese sentries, assisted by Japanese advisers, wearing Japanese suits, in many cases educated in Japan, and in all cases hoisted to their present exalted positions on the ends of Japanese bayonets, grow hoarse explaining to all-comers that, despite the fact that the Japanese army is in occupation of the whole of Manchukuo, suggestions that that land is a mere appendage of the Japanese Empire simply aren't true.

Some noteworthy achievements have been made by this country since its establishment with "*Wangtao*"¹ and racial harmony as the guiding principles of administration, through heavenly protection, the united efforts of the people, and the assistance of a friendly Power,

¹ "*Wangtao*", which literally means "The Way of the King", or, more correctly translated, "The Way of the Benevolent Ruler", is a product of Confucian teachings. The word implies the antithesis of *Patao*, or Machiavelism.

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states a *General Survey of Conditions in Manchukuo* issued by the Department of Foreign Affairs at Hsinking, the capital of the new State, at the end of 1935.

And discussing "diplomatic events" the same *Survey* gravely states that

special mention must be made of the *de jure* recognition accorded to this nation by the Empire of Japan on September 15, 1932, by the signing of the Manchukuo-Japan Protocol, which provides for the co-operation of the two nations in the matter of national defence. Relations between the two nations have been most cordial since.

This has been especially so following the visit to this country in June 1934 of H.I.H. Prince Chichibu and that of the Emperor of Manchukuo to Japan in April 1935. These Imperial visits are epochal events in the history of the Far East, to whose peace and stability they have made a marked contribution.

Nor does Tokyo's appreciation of her own Empire-building achievements stop at ceremonial visits.

Taking into consideration the recent progress of the administrative and judicial systems of Manchukuo, the Japanese Government announced its intention on August 9, 1935, to relinquish voluntarily extraterritorial rights in this country, as well as to transfer or adjust the administrative rights in the South Manchuria Railway Zone, which rights the Japanese have enjoyed since the close of the Russo-Japanese war by virtue of the Portsmouth Treaty. An Extraterritoriality Abolition Committee was organized by Manchukuo last year to arrange matters in preparation for the achievement of this great task . . . needless to say, the international position of this State will be vastly strengthened when these matters are settled.

In other words, the Japanese militarists being securely in control of the whole of "Manchukuo", with a puppet Government of "yes men" stuck up to do their bidding, they have decided, not unreasonably, that there is no longer any need for special privileges to be extended to the race which owns and controls Manchuria—lock, stock, and barrel.

All of which is delicious fooling, reminiscent of Gilbert at his best. It is also harmless, for the antics of the Manchukuoan Government deceive no one. And could only annoy a Foreign Chancellory which was deficient in a sense of humour.

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The sober truth about the world's orphan State, as distinct from fiction, is that the Japanese, having seized Manchuria by violence and in contravention of treaties guaranteeing the *status quo* in Eastern Asia which, however misguided, her representatives had signed, have on the whole made a good job of the initial task of restoring order to a region which, under Chang-Tso-Lin, an ex-bandit, and his son, Chang Hseuh-liang, a professional freebooter, had become a thorn in her side and a serious problem to those who had invested tens of millions of yen in its development. Whether or not Manchukuo will ever pay a dividend commensurate with the efforts put forth by the Japanese is as yet uncertain; rosy dreams of wholesale settlement of colonists, and an immediate new market for Japanese manufacturers, are already growing dim. It is, indeed, clear that many years will elapse before Tokyo will be in a position to know whether, financially and economically speaking, the gamble was worth while.

From the moral point of view, however, Japan had a stronger case for the action which she took in Manchuria than has generally been admitted by the Western world.

She had fought two wars there and saved Manchuria from Russia. Protected by treaties signed by the Chinese in 1905 and 1915, Japan had been the banner-bearer of civilization in the three Eastern provinces forming Manchuria. She had invested over 2,000,000,000 yen in gold in that country, including 261,882,378 yen in railways, 78,093,974 yen in harbours, 112,276,860 yen in coal-mines, 27,127,139 yen in iron-works, 143,767,667 yen in municipal enterprises, and 98,730,823 yen in direct loans to the Chinese Government.

Nearly 800,000 Japanese and Koreans, who are Japanese subjects, were settled in Manchuria, and of the total trade of the country, 40 per cent of both exports and imports were in the hands of Japan.

Moreover, Manchurian coal, iron-ore, and food-stuff were vitally necessary to the welfare of the Japanese people. And her "special interests" in that country, recognized by Sir Edward Grey, on behalf of the Government of Great Britain, as long ago as 1910, were a guarantee that neither China nor any foreign Power would be in a position to

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deprive her of the just reward of her initiative and enterprise, or of the "life-line" which those rights represented to the small island kingdom, faced, across a narrow sea, by two great Continental Powers—China with an area sixteen times as large as Japan, and Soviet Russia with an area thirty times as large.

With these facts in mind, it is not difficult to appreciate the angry amazement of the Japanese—military and civilians alike—when it was realized that all the money and brains invested in developing the natural resources of Manchuria, and Japan's whole position there, were imperilled by the deliberate policy of a rapacious and anti-foreign Chinese administration. Worse, when Chinese subjects were threatened with death if they leased land to Japanese (a "right" conferred upon Japan by Clause 2 of the 1915 treaty); when railways were constructed to "drain" freight and passengers away from the South Manchurian Railway, and when Japanese garrisons stationed within the Railway Zone in South Manchuria had compiled a list of over two hundred separate and distinct violations of their Treaty-rights by the Chinese for which no redress could be obtained.¹

To all these issues making for an explosion was added the further factor that the spread of banditry in China did not stop short at the Great Wall, but flowed over it into the "Promised Land of Asia", where the huge Japanese economic interests already enumerated were at stake.

No modern State would have sat, supine and inert, while bandit bands—and war lords only distinguishable from bandits by their larger pay-rolls—destroyed a position achieved by a generation of effort and the investment of vast sums of the national wealth. The Japanese interests directly threatened by the "wrecking tactics" of the Chinese administration at Mukden were greater, both actually and proportionately, than were the British interests threatened by anti-foreignism at Shanghai in 1927, when this country despatched troops to safeguard property and enforce respect for our rights. Indeed, the remarkable thing is not that the Japanese army struck when it did in

¹ See *Manchuria: The Cockpit of Asia*, by Colonel P. T. Etherton and H. Hessel Tiltman. (Jarrolds, London.)

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1931, but that its patience, faced with the effects of Chinese intransigence and in view of ambitions long nursed in its bosom, lasted until that year.

In the matter of Manchuria, every Japanese *knew* that the action of his army was justified. The alternative, according to Tokyo, was to admit that Japan, having taken the lead in developing that territory—having seen its foreign trade expand to over sixteen times the total for the year 1900, and increased the number of factories within the area under Japanese jurisdiction from 152 in 1909 to 789 in 1929—should permit herself to be “frozen out” and her investments lost without any effective attempt to prevent that catastrophe. Pacifism of that brand (or any other) does not flourish in Nippon.

To the politicians wearing the uniform of the Emperor Hirohito of Japan, the remedy for the unsatisfactory state of affairs which had obtained for years was obvious. Those soldiers had no faith in the power of the League of Nations, no belief that other nations would pull the chestnuts out of the fire for them.

By taking the direction of affairs into their own hands and putting into operation a plan, long prepared, for the eviction, bag and baggage, of the anti-Japanese administration of Chang Hsueh-liang, the Japanese army left the politicians at Tokyo with nothing to do but arrange a day of national rejoicing to celebrate the “victory”. As for world opinion and the League, there is no evidence that the military worried over-much about how their actions might be interpreted in London or Washington. Treaty rights enjoyed by Japan had been violated, there was no hope of conditions improving without drastic action, and national ambitions and immediate interest alike suggested that the Gordian knot should be cut, and the path cleared for the large-scale development of Manchurian resources by Japan, untrammelled by a hostile administration.¹

Other factors undoubtedly influenced the High Command of the Kwantung army when they set their troops moving on that September night of 1931. To them the conquest of Manchuria was but the first chapter of a new and glorious destiny for their nation as a Continental Power. Possession of a sure foothold on the mainland would

¹ *Japan : Mistress of the Pacific?*, by P. T. Etherton and H. Hessel Tiltman (Jarrollds.)

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make it easier to control both China and Russia—to take the next step when the time was ripe. There is no evidence that the Japanese militarists were not grateful to Chiang Hsueh-liang and his corrupt administration for presenting them with the excuse they sought.

Japanese industrialists visualized “the Promised Land of Asia” as a vast new market for Japanese goods, with a notice on the “Open Door” reading “Japanese Only Admitted”.

Fervent nationalists saw the occupation of Manchuria as the first step by Japan to gain her rightful place in the Rising Sun—and, incidentally, a supply of essential raw materials for her heavy industries, adjacent to the homeland.

Others in Japan saw—indeed, still profess to see—in Manchuria a field for Japanese colonization. Despite the obvious and well-known fact that John Chinaman, represented by thirty millions of him, can thrive where even a frugal Japanese would starve, an immense amount of rubbish was talked, and any number of “model schemes” produced and published, during the following months, all designed to explain how the population pressure in Japan could be relieved by settling agriculturists on the smiling, fertile fields of a country only 47 per cent of the arable land of which was under cultivation. Forty-four million acres of good virgin soil! Once those millions of acres were securely in the possession of Japan what would they not mean to the land-hungry, overcrowded millions of small farmers in that country? Unfortunately for the enthusiastic “planners”, they forgot a climate which the last time I visited Manchuria produced a temperature of twenty below zero, and which is calculated effectively to freeze the enthusiasm of the most enthusiastic Japanese settler who ever lived.

Overshadowing all these considerations was the strategic factor. With Manchuria in the possession of the Japanese army, the nightmare that one day Russian and Chinese would unite in a common Communism would be at least diminished, while the disturbing fear that the Russians might utilize either Manchuria or North China as a base for aerial attacks upon the Japanese homeland

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would be banished for ever. Japan, if not yet safe, would at all events be safer ; if not predominant, would have set her feet on the road leading to hegemony. Russia, if still remaining a menace, a land of "ideas inimical to the traditional Japanese spirit", would have been pushed a little farther off. Added to all of which, the amputation of the three Eastern provinces would further weaken China, and thus increase the degree of dependence in that country upon Japan.

In this last view, however, the Japanese were less logical than is usually the case, for it is almost, if not quite, certain that nothing could unite China within measurable time but continued (and continual) Japanese aggression, while, on the other hand, not even the knowledge of an impending attack by Soviet Russia would cause more consternation at both the Foreign Office and the War Ministry at Tokyo than the news that, by some miracle, China had found her feet, and 480 millions had raised the anti-Japanese banner of "National Salvation".

What happened is history. Japan struck swiftly and efficiently. Chang Hsueh-liang and his military clique gathered up as much cash as they could lay their hands on and fled, first southward, and later on a de luxe tour of the world. The people of Manchuria, including thirty million Chinese and some 300,000 bandits roaming the country, woke up to discover that they were not living in China any more, but under the jurisdiction of an army which knew its own mind, shot first, and argued afterwards. That day the old Chinese custom of baiting the Japanese stopped with a jerk, and the "Open Door" to Manchuria was thrown wide open—to admit the queue of Japanese who had learnt that trade follows the machine-guns !

Since that time the Japanese, disguised as the "Empire of Manchukuo", with the aid of numerous Chinese of the sort that are ever ready to act as mercenaries, have had four years in which to show what they can do.

If it is agreed that the first essential of civilization is security of life and property, then Japan can justly claim to have fulfilled her initial task as the overlord of Manchukuo.

The suppression within the borders of Manchuria

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of the banditry which had flourished there—to such an extent that fathers apprenticed their sons to bandits to “learn the trade”—so luxuriantly under the old Chinese administration, did not prove as simple as the army expected before it set out on “bandit-catching” expeditions. This fact may, however, be partly due to the Japanese failing which admits no loyalty, on the part of the inhabitants of Manchukuo, to any Government except that created for them by the Japanese militarists. Thus any Chinese inhabitant who, stirred by racial antipathy to Japan or sentimental preference for Chinese rule (and patriotism to China does exist, despite war lords and corruption), took up arms against the conquerors at once found himself listed among the bandits and criminals.

That this is so is shown by a report concerning a three months’ “drive” against banditry commenced by the Japanese army in September 1935, in which it is stated that “the attitude of the inhabitants of Manchukuo towards the bandits is very mild, and, spiritually speaking, the ideas of many inhabitants are not different from those of the bandits, and thus it may be said that the bandits have people many times their own number who might become at any time their moral supporters”.

During the campaign in question, conducted by mixed forces of Japanese-Manchukuoan troops, 4646 bandits were killed, 1076 were arrested, and 3713 surrendered.

One hundred and thirty-eight Japanese troops were killed and 339 wounded; 27 Manchukuoan policemen were killed and 98 wounded; 25 Self-Protection Corps were killed and 13 wounded, the total representing 263 dead and 570 wounded in the anti-bandit forces.

The Report stated that at the time of the occupation of Manchuria the total number of “communistic” bandits reached 300,000, but following constant pressure against them, their numbers had been reduced to about 30,000 in the autumn of 1935. These bandits were, however, spread over vast territories and, skilfully escaping the eyes of troops and police, were threatening the inhabitants and propagating communistic ideas.

The area east of the South Manchurian Railway main line and south of the Sungari is most suitable for the operation of bandits,

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and also for the secret cultivation of opium. Powerful bandits have their respective districts, and are sometimes levying taxes on inhabitants or adopting measures for the relief of the people in their respective territories. Some of these powerful bandits have their own factories for making arms, and are self-sufficient in their needs. They wear uniforms which look quite similar to those of the Japanese and Manchukuoan troops.

It is clear that these surviving "bandits" differ materially from anything Europe knows by that term. Most of them are Chinese patriots bent upon making the occupation of Manchuria as unprofitable to Japan as they can. In Manchukuo they are known to the natives as the "Invincibles" and the "Salvation Armies". The measure of support afforded to them by the inhabitants suggests that those who declare that it will take the Japanese ten years to "liquidate" the guerilla fighters of Manchukuo are fairly accurate in their prediction.

This irredentist problem, forecast in the Lytton Report, affects only the remoter parts of the country. At Harbin, European mothers can now take their children for an airing without White Russian guards or the fear of armed kidnappers. One may motor across the centre of Manchukuo in security. And trains keep to their scheduled times without incident.

The Japanese Courts and police force are among the best in the world, and the introduction of that system into Manchuria is a decided improvement on the lethargic and corrupt Chinese Courts of former days. While it is unwise for Chinese inhabitants to forget the blessings which heaven has showered upon their heads, or to criticize the behaviour of their lords and masters, the new police, trained under expert Japanese instructors imported for that purpose, are both efficient and "straight"—a fact which in itself is enough to convince any Chinese chieftain that Manchuria is not the place it was.

As an economic investment, while the conquest of Manchuria has brought security for Japanese capital and enterprise in that country, the first years of the new State have on the whole forced a modification of the rosy dreams of El Dorado which Tokyo capitalists permitted themselves to enjoy in 1931.

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The vast new market for Japanese products has not materialized. Nor is it likely to for a generation at least. The army remains as antagonistic as ever to industrialists reaping what soldiers have sown. And, in addition, no matter how tight-packed the "Open Door" may be with Japanese salesmen, there is a limit to the quantity of goods which can be unloaded on an impoverished countryside.

True, Japan's share of Manchukuo's total import trade has risen from 37 per cent to 65 per cent in three years. But this increase has been at the expense of other nations, and does not reflect an expansion of the total market available. Manchukuo's foreign trade for 1934 was, indeed, slightly less in value than the foreign trade of the same area in 1931, when conditions were admittedly bad.

Commercial circles in Tokyo have not been slow to note that fact, and draw their own conclusions. At the beginning of 1936, quotations for investments in Manchuria on the Tokyo Bourse stood at lower levels than three years before, despite the more settled conditions and the security afforded to industrialists by the expulsion of the Chinese administration, while it would at that date have been difficult, if not impossible, to raise new capital in Japan for investment in Manchukuo.

An amusing sidelight on the reluctance of Japanese financiers to pour further good yen down the throat of their hungry orphan was the statement, made to me by a bank official at Tokyo, that Japan, true to the policy of the "Open Door", was not encouraging Manchukuo to look to her for all the capital resources necessary for the development of the new State, but preferred other countries, such as the United States, Great Britain, and France, to have "full and free access to the investment possibilities of Manchukuo". At that date there were well-informed reports in the Far East that developments by the South Manchurian Railway Company, that "government within a government" in Manchuria, were held up through shortage of money. In other words, the hard logic of facts has forced Japan drastically to revise her estimates concerning the "treasure-house of Asia".

Strategically, occupation of Manchuria has, as already stated, given that nation access to a reserve of raw materials

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near enough to be blockade-proof in time of war. It has satisfied the national urge for a frontier on the Amur River and forestalled any ambitions which Soviet Russia might have had to expand southward. These are substantial successes, but they do not get to the heart of the matter. *Unless the national wealth of Manchukuo, and the standard of living of its thirty millions of inhabitants, can be raised, and raised substantially, Japan will have failed in her objective—secondary only to the strategic factor—of securing a new and valuable market for manufactured goods.* Manchukuo can pay no dividend while its people live as far over the poverty-line as they are doing at present. In that fact lies the best guarantee that the Japanese-controlled administration of Manchukuo will work in the interests of the inhabitants.

Prosperity for the Chinese farmer in Manchuria can be expressed in two words—soya beans.

The soya bean, with its by-products, has put Manchuria "on the map". A failure of that one crop, which in 1929 constituted sixty per cent of the entire exports of the country, would mean red ruin for Manchukuo and Japan alike. Two hundred and twenty-one million bushels per annum were exported during the closing years of the Chinese administration, and the beans find their way into bread, cakes, margarine, cheese, sauce, paint, tallow, varnish, soap, glycerine, linoleum, and medicines. In Asia they eat it, give it to their cattle, and spread it on their fields as fertilizer. Next to rice, it is the prime provider of life throughout the Orient.

Incidentally, those little beans which provide so much freight for the South Manchurian Railway have to a greater degree than any other single import assisted in keeping the problem of Japan's food supply within manageable proportions.

The Manchukuoan authorities, while carrying out experiments designed to improve the quality and yield of this all-important crop, are seeking to increase the production of wheat, raw cotton, tobacco, hemp, sugar-beet, wild silk, fruits, and vegetables. Some 750,000 acres of land will be turned into cotton-fields during the next fifteen years. Stock-farming is being encouraged ; 15,000,000

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sheep of improved breed are to be raised on State farms within the next four years.

Industrial development, apart from mines and natural resources necessary to Japan, has not kept pace with this awakening of agriculture. It was never intended to. Manchukuo is the granary of Asia, and will remain a predominantly agricultural nation if only because the Japanese would regard it as an "unfriendly act" for so friendly a State to start competing with Japanese manufactures even in the Manchukuoan home market. Tokyo and Osaka have learnt to their cost what Chinese can do when they begin to undercut prices with coolie labour. Nor is there any valid reason for duplicating in Manchukuo machinery and factories already in existence in Japan. The role of Manchuria (and North China if Japan achieves her aims there) is to be at one and the same time a source of raw materials and food which Japan needs, and an expanding market for Japanese manufactures.

Two other achievements of the Japanese administrators of Manchukuo should be mentioned—the vast programme of building construction which broke out, like a rash, over the Manchurian countryside, in the wake of the victorious armies and the reform of the local currency.

Immediately following the conquest of the country, the seat of the administration was removed from Mukden to Hsinking, a sleepy railway junction in Kirin province, 700 miles north of Dairen. In 1931, Hsinking (then called Changchun) occupied an area of 21 square kilometres. Today the area of the modern city which has arisen round the old has an area of 200 square kilometres, and its population is expected to be 300,000 by the time the first stage of the construction works is completed early in 1937, and to exceed half a million three years later.

The new city has been planned by the men who built the new Tokyo following the great earthquake. And the new Tokyo is a tribute to them. The whole area of Hsinking was first "zoned" in accordance with the most advanced methods employed in Great Britain or the United States. Wide "trunk" and "branch" roads were constructed, with separate sections for motor traffic, slow vehicles, and

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pedestrians. The erection of overhead telephone, telegraph, and electric-light wires were forbidden.

Appreciating the importance of a pure-water supply, as anyone can who has ever travelled in East Asia, the Capital Construction Bureau has built a huge reservoir in the basins of the Hsiao and Tai Rivers, capable of supplying 40,000 tons of water daily to the capital. Remembering the epidemics which raged in Manchuria under Chinese rule, 151,290 metres of sewer-pipes were used in the construction of a modern sewage system for the city.

While the new Hsingking was rising, phoenix-like, from the former Changchun, similar transformation scenes were being enacted elsewhere. Mukden, destined to be an industrial centre in the new State, is being developed to eight times its former size. Harbin has grown to three times its former girth in as many years. Kirin, Chinchow, and Tsitsihar, as well as the new towns along the railway lines, all bear the same marks of furious activity. Nothing like this rate of construction has ever been known in any part of the Chinese domains before, not even within the South Manchurian Railway Zone. When the task is completed Manchukuo will stand forth as a completely equipped modern State.

Whether or not those brave new cities will ever house more than a minority of Japanese officials, business men, and soldiers, is doubtful. Today little is heard in Japan of those roseate dreams of wholesale migration to Manchukuo. It is as certain as anything can be that no sort of inducement will persuade any number of Japanese farmers to desert their overcrowded valleys to engage in a one-sided battle with those twin foes—the Chinese cultivator and the Manchukuoan climate.

Officialdom in Japan knows this. The most optimistic view of the possibilities of colonization opened up by the conquest of Manchuria now voiced at Tokyo is that a "push" may be started through Korea which will set the agriculturists of that country moving northward to Northern Korea and Manchukuo, and thus release land in Southern Korea suitable in climate for settlement and colonization by Japanese agriculturists.

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Such a project is feasible; that Manchukuo will ethnographically ever be anything but predominantly Chinese is as near an impossibility as anything in Asia can be.

The reform of the currency system is probably the most important single achievement, from the point of view of the people of Manchukuo, accomplished since the formation of the new State.

Under the former régime, Chang Hseuh-liang and his minions not only appropriated between 80 and 90 per cent of all Government revenues for the maintenance of their armies and private purses, but exerted pressure upon the banks to issue valueless paper notes for use in financing the endless wars and the purchase of supplies for the local militarists.

The banks, quick to realize the possibilities of this sort of "finance", joined in the game at the expense of the people. With depreciated notes, they made huge purchases of the staple products of Manchurian agriculture every year. They would then issue new notes and use them to buy up the depreciated ones—at a large discount. In this way large profits were reaped and the farmers robbed—as neatly as any American gangster could have done it—of the just reward for their industry.

At the time of the Japanese occupation, no fewer than fifteen kinds of banknotes, of 136 denominations, were circulating as "currency" within the Three Provinces. To discover whether the banknote just given to him was worth its face value, or was just waste-paper, the Manchurian farmer had to visit one of the money-changers in the towns, who were probably the only people in Manchuria, apart from the bankers responsible for the mess, who did know what any given note was worth.

To remedy this state of affairs, the Central Bank of Manchou was established in 1932 to absorb the four old note-issuing banks—the Bank of the Three Eastern Provinces, the Bank of Heilungkiang Province, and the Frontier Bank—and a new unit of currency, the silver yuan, created. This new bank, equipped with ample resources, and with over 53 per cent of its total note issue covered by reserves, has since its establishment redeemed 97.2

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per cent of all the multitudinous brands of bank-notes previously in issue.¹

In this reformation of the currency, as in other matters, the paternalism which Japan feels towards the child of her creation has been in evidence. Prior to the establishment of Manchukuo, large numbers of banknotes issued by the Bank of Chosen were in circulation as currency in the Japanese Zone in Manchuria, the total amount being estimated at fifty million yen. The continued circulation of these notes would have defeated the aim of the authorities to establish one national currency.

The Japanese Government, recognizing the intent of the Manchukuoan Government to stabilize the exchange rate of the national currency against the Japanese currency, decided early in November 1935 to render every possible assistance to strengthen further the basis of our monetary system [runs a report issued by the Bank of Manchou]. It decided upon the fundamental policy of withdrawing from circulation in Manchukuo the notes of the Bank of Chosen which have more or less hindered the stabilization of our currency, and expressed its intention to induce Japanese officials and people resident in this country to use our money as far as possible. Such steps on the part of the Japanese authorities will, it is expected, greatly contribute towards the complete unification and stabilization of the Manchukuoan currency, which is pegged at par with the Japanese yen at present.

It is unfortunate that Japan, while recognizing the importance of a stabilized and secure currency in Manchukuo, should have proved so unhelpful when the Nanking Government attempted to carry out a similar reform in China, where the delay in enforcing a solution of this same problem interfered seriously with the work of national reconstruction.

Japan's previous colonial efforts in Formosa and Korea have not been particularly successful. The difficulties confronting her in Manchukuo are many and real. Politically she is faced with an irredentist problem which will need patience, men, money—and time—to liquidate. Financially, Manchukuo is likely to be a drain upon the

¹ The value of notes and coins issued by the Bank of Manchou in circulation at the end of 1935 was yen 144,900,000,000. The note issue alone amounted to 121,661,727,000 yen, while the reserves of the Bank amounted to 65,460,215,000 yen.

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Japanese Treasury for many years to come. Economically, things are not yet going "according to plan". Since the establishment of the new State a trade balance which was consistently favourable to Manchuria has become unfavourable, imports exceeding exports in 1934 by 145,000,000 yen. And while the import figures are undoubtedly "weighted", to some extent, by the purchase of materials for the vast building and construction programmes mentioned earlier, there is no guarantee that the former favourable trade balance of some £30,000,000 annually will be regained after this spate of exceptional expenditure is completed.

Further, despite the establishment—with a flourish—of an opium monopoly "for the purpose of eliminating the evil practice of opium-smoking and controlling the cultivation of the poppy", there is good ground for stating that the revenues of Manchukuo, which have risen from 98,000 million yen in 1932 to 161,000 million yen in 1934, have been maintained and increased only by resorting to the old "trick" of Chinese war lords—the deliberate encouragement of this pernicious habit for the sake of national revenue. Certainly no attempt has been made in any part of Manchuria to reduce the number of shops at which monopoly opium can be purchased—at Government rates. The fact that the Manchukuoan Government has reduced or abolished sixteen different taxes in three years, including land and business taxes, salt surtax, and tobacco tax, may seem to border on the miraculous when compared with Chang Hsueh-liang's methods, but it is no satisfactory compensation for the wholesale destruction of national morale implied by any wide extension of the opium habit.

Despite such blemishes and difficulties, however, it is the opinion of many foreign observers that, on balance, the people of Manchukuo have benefited by the events of 1931. Under Japanese rule, it may be unwise to harbour "dangerous thoughts", or to question the eternal rectitude of the smallest act of the most minor official placed in authority, but at least the people have gained in security, in the hope of progress, and in the amenities of civilization. And if Japan is to secure any adequate return for the investment of the lives of some 40,000 officers and men, and

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the expenditure of millions of yen, not to mention the increased risk of internal complications due to her new stake on the mainland, the Manchurian peoples must benefit still more substantially in the future.

There is, at present, no indication that Japan will ever face failure during a time of peace in those "sad bean-fields" of Manchukuo. Rather, the weight of evidence points the other way, and suggests that the initiative and enterprise which has carried the trade-mark "Made in Japan" to the four corners of the earth will make of Manchuria, if not a paradise, at least something more akin to that desirable state than anything the Chinese would have accomplished by themselves in a century.

If Manchuria ever becomes the "Yellow Man's Burden" it will be for the very reason which Japanese regard as their greatest cause for congratulation.

It was because of our concern for the peace of East Asia, in addition to our conviction that our only path of progress lay on the Continent of Asia, that at the time of the Manchurian "incident" our nation rose spontaneously as one man to grapple with the situation. The Manchurian affair was really a life-or-death struggle for Japan [wrote Mr. Reijiro Wakatsuki in 1935].¹

Japan has gained her objective. Her troops stand guard over the Amur River, even while the younger officers are formulating plans for a Japanese "Monroe Doctrine" in Asia, and for taking over their homeland and running it as an Ideal (military) Home according to the highest principles of the Japanese spirit. Maybe the industrious little men and women of Nippon can sleep more securely in their beds than they could when Japan's frontier was in Korea. But if so, why the frantic demands for more and bigger armaments? Why the numbing fear of Russian air-raids? Why the demands for "demilitarized zones"—north, west, and south of Manchukuo?

It looks very much as though the debit side of the ledger account for Japan's new Empire is not quite as clean as folks in Tokyo would have the world believe. In fact, it looks probable that it will be a long time before

¹ *Foreign Affairs*, July 1935.

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the Manchukuoan goose lays an egg. When that event does occur, the egg is more likely to be filled with dynamite than with gold !

Up to the moment when the first Japanese trooper triumphantly planted the banner of the Rising Sun on the Manchurian-Soviet frontier, Russia had paid scant attention to her Eastern boundaries. She was absorbed with her own internal concerns and, with Manchuria as a "neutral zone" between Japan and herself, had no intention of throwing away money needed for her various Plans on maintaining Eastern garrisons.

With Manchuria's metamorphosis into Manchukuo, and the Japanese pushing on into Inner Mongolia, the scene changed. The "inevitable enemy" had reached the Siberian frontier ; there was no knowing where he would stop. Unless stopped by guns. Regardless of expense, Moscow answered the challenge by a military concentration calculated to make even the Kwantung army pause and think again.

The Japanese High Command duly thought again—and decided that they needed more men, more guns, more battleships, and more munitions to meet the "communist menace". The "claw for claw" race began. Where it will stop, and whether there will be any Manchukuo when that time comes, no man can say.

Manchuria has been a graveyard twice. Is the same fate in reserve for Manchukuo ?

CHAPTER X

CHINA CHANGES—AGAIN !

FIVE thousand years ago China came into being, and that country has been changing ever since.

Mongols, Manchus, Russians, British, French, Portuguese, and Japanese have all contributed their quota to the problems affecting the 480 millions of poverty-stricken, hard-working people who form the geographical unit which the Western world calls "China". The Japanese, coming late on the scene, were naturally annoyed when their conquest of Manchuria, Jehol, and some 10,000 square miles inside the Great Wall was criticized by the League of Nations, on the Council of which sat those very Powers which had been responsible for the dismemberment of China in the past.

It was all very well for Western nations, gorged with territory, to talk about the "territorial and administrative integrity of China". Japan's reply, in effect, was to refer the League Powers to their history-books.

Those history-books tell a revealing tale. Within the last fifty years at least 2,400,000 square miles of Chinese territory has been seized by foreign Governments.

The carving up of the Celestial Empire began when the French troops walked into the kingdom of Annam and turned it into a French colony. Add Cochin China, previously ceded to the same Power in an effort to keep it quiet, and the first 114,000 square miles of rich territory was lost to China.

In 1886 the British seized Burma, and four years later drove the Chinese rulers out of Nepal, Bhutan, and Sikkim, provinces which had formed part of the Chinese Empire since the thirteenth century. Thus another 300,000 square miles was lost.

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Then came Japan's turn. The newly awakened island kingdom took Korea, Formosa, and the Pescadores—say another 100,000 square miles.

Next Outer Tibet, an area totalling 700,000 square miles, passed under British protection, to be followed by Outer Mongolia, which since 1921 has virtually become a province of Soviet Russia. Another 900,000 square miles torn from the ravaged body of China.

Finally, Japan seized the whole of Manchuria and Jehol, thus removing another 500,000 square miles from a steadily dwindling "China", and adding it to the steadily growing Japanese Empire.

Having skilfully—if not quite painlessly—accomplished this latest example of Imperialist surgery, the Japanese proceeded to annex Chiang Kai-shek, leader of the Kuomintang and the "strong man" of modern China!

Out in the Far East, where rumours flourish, I have heard it said, "on excellent authority", that every single Minister in the Nanking Government, from Marshal Chiang Kai-shek downwards, is in the pay of Tokyo. The Japanese themselves know a better method of accounting for Chiang Kai-shek than that. They know that in Chiang Kai-shek China possesses the strongest and most considerable leader who has arisen in that country since the death of Sun Yat-sen. They know that, despite the necessity of organizing no fewer than seven successive military campaigns against the Chinese communist forces, Chiang Kai-shek's Government has consolidated its hold upon the whole of Central China and the Yangtze-kiang region and carried the reconstruction of that area further, during the ten years since 1926, than did the Japanese in their own land during the ten years following 1868.

Faced with indubitable proofs of the success of the Nanking Government, the Japanese played their master-stroke. They annexed not only Manchuria, Jehol, Inner Mongolia, and all they could seize of North China, but Chiang Kai-shek as well!

"You know, of course, that Chiang Kai-shek is a Japanese?" commented a Japanese Foreign Office official to me over lunch in Tokyo—very much as a man might suggest it was going to be a fine day tomorrow.

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And when I expressed surprise, my informant continued : "But yes. It is well known that he is a direct descendant of Japanese pirates who were wrecked on the coast near Ningpo a couple of centuries ago, and settled there. That accounts for his efficiency—and also for the fact that we understand his mental outlook so well."

Chinese or Japanese in ancestry, Chiang Kai-shek and his associates have not been able completely to overcome the essential weakness which afflicts that country—the absence of a strong central authority whose writ would run throughout what remains of the former Imperial domains. And the fact that China has not known such a central authority uniting the whole Empire since the Tang period suggests that the feat will continue to defy the ably-directed efforts of the Nanking Government.

China as a homogeneous national unit does not exist and has not existed for centuries. Today, despite considerable progress towards unification, there remain four "Chinas".

The first is the central area, the backbone and main artery of which is the Yangtze-kiang. There Marshal Chiang Kai-shek's writ runs, order has been restored, and reconstruction is being pressed forward with a rapidity unknown anywhere else in the world outside Soviet Russia.

The second "China" is the South, composed of the provinces of Kwangtung, Kwangsi, Yunan, and Fukien, which was for so long dominated by the Radical politicians of Canton headed by the late Hu Han-min, lieutenant of Dr. Sun Yat-Sen, through the South-West Political Council.

Prior to July 1936, rivalries existing between Nanking and the South defeated all efforts to form a common front. The local leaders of Kwangtung and Kwangsi purchased armaments from Japan, and even enlisted the services of Japanese military instructors to train their armies—this at a time when the Japanese were filching vast tracts of Chinese territory in the North. The funds necessary to recruit and maintain these provincial armed forces (over which Nanking had no control) were obtained either by subsidies secured from a Central Government anxious to promote national unity, or by withholding from that Government the customs revenues of Kwangtung province.

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Early in 1936, Nanking was known to be pressing the Southerners for some measure of control over their armies. In the spring of that year Hu Han-min died, and in June the Cantonese military authorities, by mobilizing their armies and invading the province of Hunan (a province "loyal" to Nanking) under the pretext of marching north to attack the Japanese invaders, directly challenged the rights and authority of the Central Government, and thus brought matters to a head.

Faced with the threat of a civil war in which only Japan could gain, Nanking made preparations to suppress the Southerners with a firm hand. On July 13, the Kuomintang Central Executive Committee—the highest organ of the Government—declared war by abolishing the South-West Political Council, thus ending the semi-independent régime at Canton, and appointing General Yu Han-mou, a Southerner who had refused to co-operate in action against the Central Government, as pacification Commissioner of Kwangtung.

Shortly after this move it became known that many officers of the Kwangtung army favoured the Central Government, while the Cantonese air force, numbering 69 machines, deserted *en masse* to Nanking. Whereupon General Chan Chai-tong, the Cantonese Generalissimo, fled to Hong Kong, and the way was opened for the establishment of a new régime in Kwangtung province which would co-operate with, and function under the direction of, Nanking.

Kwangsi, under the control of General Li Chung-yen, and with some 30,000 troops under arms, remained a danger-point for some time, but with Canton firmly in their possession, and Kwangsi thus cut off from access to the sea except on terms laid down by the Central Government, the position of Nanking in that area was stronger than at any time since the Nationalist forces set out from that city on the march which carried them across China and led to the establishment of the present Government.

Painstaking negotiations with the Kwangsi Generals, conducted by Marshal Chiang in person, finally resulted, in September 1936, in a settlement which, on paper at all events, consolidated the South under the Nanking banner.

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Assuming that the measure of unity thus attained can be preserved, both the prestige and the revenues of Nanking will be placed upon a sounder basis—and the Japanese will be able to reflect that in the face of continued aggression China is nearer unity than for generations.

The third area is the North China group, comprised of the five provinces of Hopei, Shansi, Suiyuan, Shantung, and Chahar, and including the cities of Peiping and Tientsin. Of these, two—Hopei and Chahar—have passed under the control of “autonomous” Governments directly inspired and defended by Japanese bayonets. The ultimate fate of the remaining provinces remains in doubt.¹

Finally, there are the communist forces, labelled “armies” or “bandit hordes” according to taste.

It is only about twelve years ago that the Kuomintang (National People's Party) joined hands with Chinese Communism in an alliance which was designed to accomplish an anti-Imperialist revolution and to establish a revolutionary Government of all China at Nanking. The Kuomintang Government was duly established in that city; but even before the triumphant march across China was completed, that party had thrown over its allies. Following the establishment of the present Central (Kuomintang) Government, Chiang Kai-shek, its figurehead and supreme leader, declared war upon his erstwhile associates, and the communist forces replied by declaring war upon Nanking.

The “Reds” achieved considerable successes. Communist Governments were organized in Kiangsi and Fukien. In Kiangsi, the land was given to the peasants—poor cultivators receiving the best, the rich farmers the worst. Landlords and usurers were “liquidated” in the approved Russian manner. Village and district soviets were set up to rule the territory. Factory soviets controlled industrial production. By such advantages—and propaganda—the people were made the willing tools of the new order.

It took eight years and seven major campaigns on the part of the Central Government forces to dislodge the communist administrations thus set up. Even today, when the communist Governments have disappeared, and the “Red” forces are “on the run” harried by Chinese and

¹ See Chapter XI.

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Japanese troops alike, they still number many adherents among the industrial workers in the cities, the students and soldiers, while the rural populations who have lived under Soviet régimes are not always content to accept the old order—as is shown by the fact that in Kiangsi, following the expulsion of Communism, the Central Government was obliged to recognize the redistribution of land which had been effected in eight counties.

Following the successive expeditions sent out against them by the central authorities, the strength of the Chinese communists is now on the wane, but their armies remain in being, and their real hold on China has always been more in the realm of ideas than of territory. Paradoxically enough, Japanese aggression—which Tokyo seeks to excuse by referring to the dangers of Communism in China—is at present the most important factor in the spread of communist sentiments in that country.

Without accepting the view held in Japanese circles, and propounded by certain anti-Russian propagandists at Shanghai, that China is in danger of “going Red”, it remains clear that the miseries existing throughout China today are responsible for the creation of a fertile breeding-ground for extremism. Without the overt support, or at least neutrality, of millions of peasants, the Chinese communist forces could not have escaped destruction in succeeding campaigns intended to “cleanse China” of their presence. Chinese Communism is a symptom of desperation on the part of whole populations abandoned for too long to misgovernment and hopelessness.

Ravaged by “politics”, disunited internally, and the victim of the continued encroachments of Japanese diplomacy and militarism working hand in hand, China remains the “sick man of Asia”. The disease from which she is suffering has been described by Dr. Lim Boon-keng, President of the University of Amoy, as *Neurasthenia Sinica*, the symptoms of which he outlined as :

Paralysis of the national spirit ; neglect of thinking and reasoning.
Absence of co-operation among members of the population.

Inefficient government. Prevalence of greed and selfishness among officials in power who overlook the interests of the public.

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Economic collapse, resulting in poverty of the masses.

Want of proper leadership, so that civil war becomes inevitable and military power is misused.

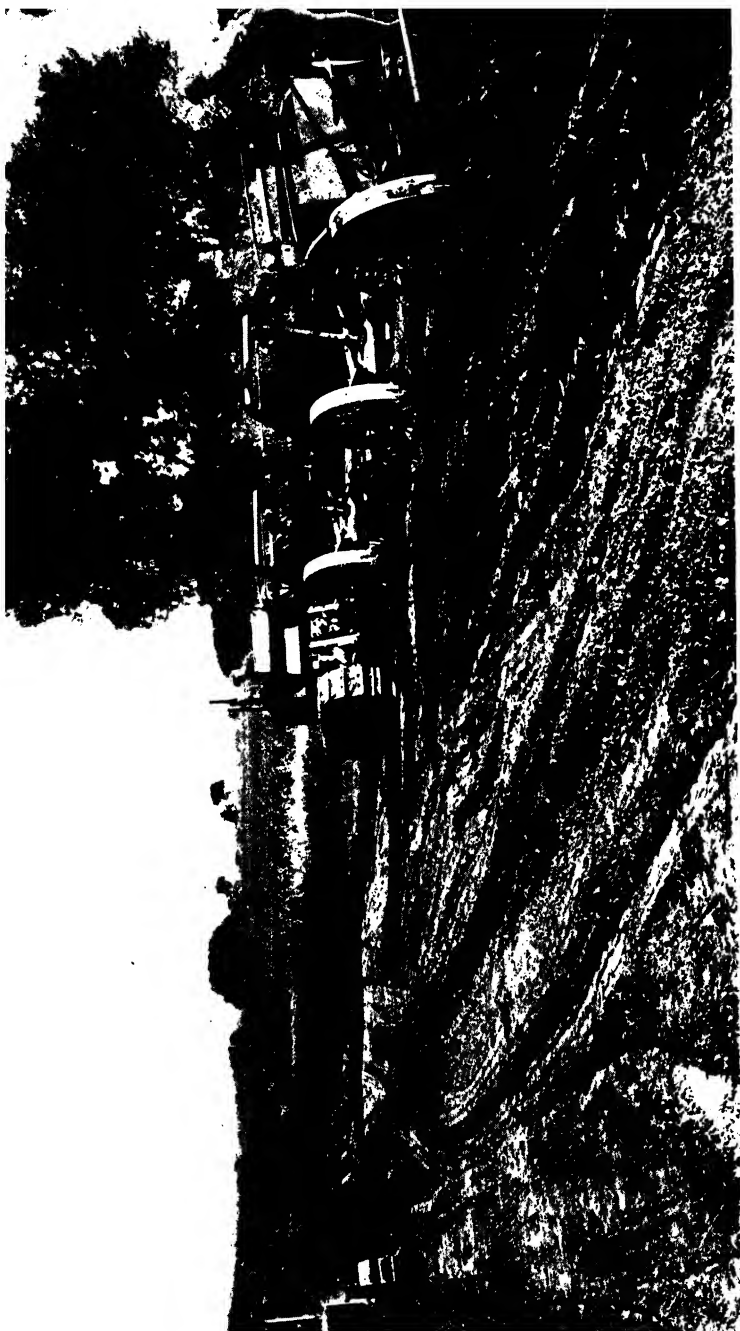
Decay of patriotism, on account of defective education, neglect of culture, and absence of co-operation between people and Government.

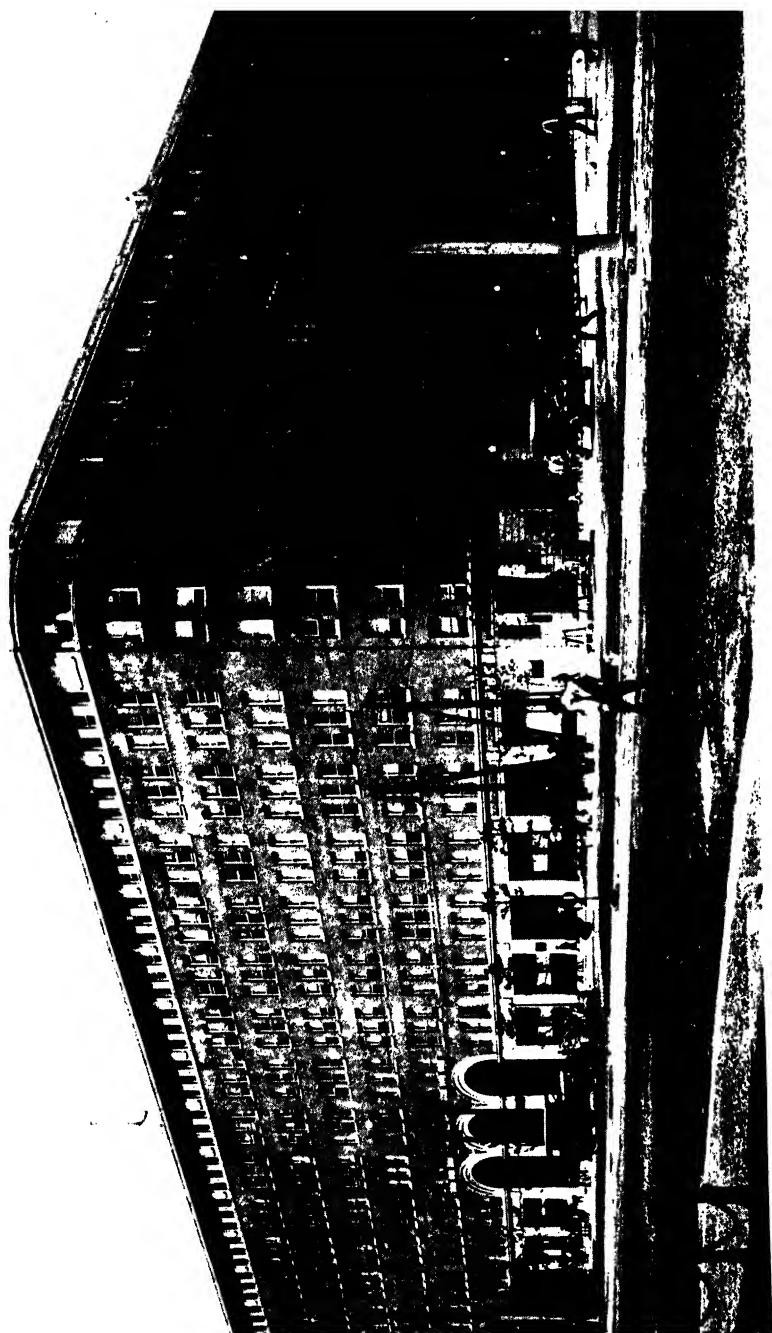
Weak diplomatic policy because the Government knows its own feebleness and realizes the inadequacy of the means of defence at its disposal.

The reactions of foreign observers to this state of affairs varies. Some see that country, with its background of art, culture, and literature, as the ultimate civilization, scorning the material and ever seeking the spiritual values in life. Some—with the typical tourist psychology—dismiss it as “quaint”. While others, who do not regard public health, clean water, and sanitation as things to be despised, look upon the swarming millions of vermin-ridden, disease-infested Chinese coolies and peasants as barbarians, and see Japan, with her Western standards of cleanliness and her modern efficiency, as the only force in Asia likely to bring order out of chaos. It all depends on whether one regards the stamping out of cholera and smallpox, or personal security, as more important than a Ming vase or a scrap of medieval poetry.

It is impossible to generalize concerning China. That country contains some of the greatest scholars in the world—and the poorest peasants. There the art of cooking flourishes as nowhere else on earth—and so does smallpox. There one may see art treasures worth untold gold, but drink a glass of water only when it has been chlorinated. There the distinguished visitor may be entertained with all the lavish pomp of a Governor's Palace on one day—and captured by brigands the next.

In Peiping recently I met one of Britain's most distinguished scientists, a professor of Cambridge University, who was so captivated by Chinese culture that he was seriously thinking of accepting an academic post in that country “in order to enjoy the ultimate culture”. A week later, at Shanghai, I talked with a British housewife in the International Settlement who told me that it was “too risky” to eat a salad, or any fruit, in the heat of a Shanghai





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summer unless one purchased it from a shop which guaranteed its Californian origin.

The truth of the matter is that the task of introducing any degree of cleanliness, sanitation, or public health into that vast festering sore which the world knows as China would tax the skill of the greatest administrator who ever lived. And Japan, in seeking to profit by this state of chaos, has made the task which faces Chiang Kai-shek and the Central Government infinitely more difficult.

It is unfair to measure the progress towards "normalcy" in China by Western standards. The problem is immensely greater than anything ever faced either in Europe or the United States. The lack of unity in China makes progress more difficult than was the task of reconstructing Soviet Russia following the two revolutions of 1917 and the wars of intervention. And the peculations and lack of public spirit of Chinese public officials only add to the staggering difficulties which face the Central Government, and which provide abundant excuse, unless those difficulties are appreciated, for intervention *à outrance*, either by the Japanese or any other Power. It is, indeed, possible to sympathize with the Japanese contention that the Nine-Power Treaty, in seeking to maintain the *status quo* in the Far East, in fact merely makes China safe for continued chaos.

The Central Government realizes both the magnitude of the task and the difficulties of inaugurating improvements on the scale necessary to make any real change. China is short of money and honest administrators in public affairs; the severest critics of Nanking, however, admit that the Kuomintang, although in some respects strongly influenced by secret societies, did make the best selection of the available brain-power when turning to the problem of national reconstruction.

The Chinese love of words, and skill in the art of word-spinning, to which later reference will be made, achieved a fine flowering when word went forth that China was to be transformed into a modern State. "Plans", large and small, flourished like green bay trees. There was the "Four Years Plan" for the industrialization of the Yangtze Valley, Kwangtung's "Three Years Plan", a "Three Province

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Programme" and a "Seven Province Programme" for road construction, plans for the reform of education and public health, a "Ten Years Plan for Rural Rehabilitation", and dozens more. Like all Plans, some of these projects were wise and some foolish; those relating to industrial development, railway construction, flood control, and educational development are already bearing fruit (though in regard to educational development China has made the mistake of moving too quickly).

The acid test of this feverish attempt to turn China into a Western nation in twenty years, however, is the problem of rural rehabilitation, which is in turn linked with the questions of currency reform, afforestation, railways, and coal, and affects 80 per cent of China's total population which lives on and by the soil.

At present the production per acre of arable land in China is higher than anywhere else in the world, but production per man is almost the lowest, owing to the infinitesimal size of the average "farm" in that country. Moreover, the soil is poor because the peasants need every blade of dry grass or other vegetation for cooking and warmth. In the densely populated regions the demand for fuel is chronic, and timber is non-existent, even for house construction. The solution of this aspect of the rural problem is—coal. Coal exists in large quantities; 200,000 million tons have not yet been "tapped", while the annual production is only twenty-six million tons a year. Except in the vicinity of the coalfields, however, it is either unobtainable at all, owing to lack of transport, or too costly for the peasants to buy. To distribute existing production in rural areas, not to mention the increased production which could be achieved were China's coal reserves systematically developed, means railways. And railway construction means both time and money. The crying need of the countryside is afforestation. Not the planting of a few ornamental bushes by dignitaries of the Nanking Government on "Arbour Day", but whole forests. That problem cannot be approached until the absence of fuel in peasant regions has been remedied, if only because any trees planted would speedily find their way under the family cooking-pots.

Nowhere is the extent of the problem facing the present

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rulers of China more clearly seen than in the matter of railways and roads.

China possesses 300 square miles of territory per track mile of railway, compared with $4\frac{1}{2}$ miles in Britain and $8\frac{1}{2}$ in the United States. Expressed in terms of population, China has 70,000 persons per mile of railway, compared with 2200 in Britain and 3300 in the United States.

That country possesses one mile of road to each 154 square miles of territory, compared with one mile for each half square mile in Britain, and one mile for each square mile in the United States.

To reach the same standard as the United Kingdom, China needs 8,564,000 miles of roads; as the United States, 4,282,000 miles [states T'ang Leang-li].¹ At the present rate of progress of roughly about 15,000 miles of all kinds of roads modern and primitive per year, this would take 560 years and 280 years respectively!

I first made the acquaintance of "China in Reconstruction" upon arrival at Nanking, capital of that transformed China which is effervescent with strange new ideas.

A broad and straight highway leads from the railway station through the city wall right into the centre of the town. Along that road are most of the Government offices, some constructed in the foreign style, others in the traditional Chinese manner. Ultimately all will be in the national style of building, which costs three times as much as foreign architecture and could not, therefore, be employed in all cases when, almost overnight, a new administrative centre sprang up following the transfer of the Government from Peiping to Nanking.

The modernizing of the city, following that event, was carried out with a swiftness and success which shows that the Chinese can, given a problem small enough in compass to be grappled with, compete with Russia in both conception and performance. Narrow, winding streets and lanes were widened; houses that stood in the way were razed to the ground. Nanking remains a walled city—I was informed the largest walled city in the world—but expansion goes on both inside the city walls and on the flat plain outside.

¹ *Reconstruction in China*, p. 218. (China United Press.)

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During the transformation property-dealers have made fortunes, and the growing number of Government officials needed to direct the national reconstruction, and dearth of hotel accommodation for foreign visitors, suggest that still more and bigger profits will be made in the future. Yet even in Nanking, the stronghold of Chiang Kai-shek, I noticed one thing calculated to discourage some of those enthusiastic housing speculators; at various points in the city the Government have displayed large replicas of aerial bombs, with warnings to the population to hurry to places of safety as soon as hostile bombing-planes are signalled approaching the city!

Apart from the city itself, the most impressive sight in Nanking in these days are the crowds of international salesmen who have flocked there from the four corners of the earth, like vultures scenting prey. The Germans were most numerous, but there were also numbers of Swiss, French, Belgians, and Italians. The Germans were either advisers to the Central Government or munition salesmen. The Italians were aviation experts, who are slowly replacing the Americans as instructors of the new Chinese Air Force. The rest were dealers in railway equipment, electrical goods, industrial machinery, machine-guns, and other oddments, drawn to Nanking's best hotel by the prospect of helping China to her feet—at a fair price. Only one great industrial nation was unrepresented in that international throng. Although I searched diligently, I did not come across any munition salesmen from Tokyo. But armament production in Nippon is controlled by the State, and the days when Japan was prepared to sell the plans for manufacturing such things as air-cooled machine-guns and Arisaka 75-mm. artillery to Chinese Governments are over. Instead, Japan registers a protest when one of those German salesmen "lands" an agreement to barter arms for certain metals, and the War Office of Tokyo declares that "Japan cannot remain indifferent to a transaction which, by encouraging civil war in China, menaces peace in the Far East".

Reconstruction in China generally, as represented by the many Plans approved and put into operation by the Central Government within the area under its control, may be divided into five categories—industrial, educational, 183

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public health, railways and roads, and rural rehabilitation. In all these departments of public affairs, the analogy with Soviet Russia is striking. There is the same high-speed "tempo", the same misdirected energy, the same feverish desire to achieve results, the same initial failures. In only two respects does the effort now being pushed forward in China fall short of its Russian counterpart. Whereas Russia's Five Years Plans aimed at making that country self-supporting, China's most ambitious efforts fall far short of what is needed to remedy the "sickness" of that vast land, even if one hundred per cent success were achieved. And the raging, tearing propaganda which was so prominent a feature of the Russian Plans is lacking.

Reconstruction in China has been entrusted to the National Economic Council, and in carrying out the manifold activities involved the New Life Movement performs the same function as did communist propaganda in Soviet Russia.

This movement was launched by Chiang Kai-shek in 1934, and its aims have been outlined in a booklet written by its founder, and translated into English by Madame Chiang, in which the Kuomintang leader explains that for hundreds of years prior to the revolution of 1911, the people of China were discouraged from interesting themselves in the affairs of government, and were taught, "even with the executioner's sword", that the administration of the country was the exclusive concern of the official class. Consequently, the people gradually ceased to have any interest in government, and cared nothing for the responsibilities of good citizenship, the requirements of patriotism, or loyalty to their country and flag.

The march of events is inexorable and cannot wait for the sluggards to catch up [declared Chiang Kai-shek], and therefore it becomes incumbent upon those who know the problem of China to take strong action to break down the demoralizing influence which centuries of suppression of national sentiment and feelings have had. A new national consciousness and mass psychology have to be created and developed, and with that intention what is called the New Life Movement has been launched.

To correct or to revolutionize an age-old habit is a difficult thing, but by using the simplest, and therefore most efficient, means

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it is hoped that in time the outlook of the people will be entirely changed and they will be able with spirit and competency to meet the requirements of the new time and the new life. The aim of the New Life Movement, therefore, is the social regeneration of China.

Chiang Kai-shek would seem to agree with the Englishman whom I met in the "longest bar in the world" at Shanghai, and who informed me that after living for ten years in the International Settlement he had discovered that China is not a country at all, but a disease ! For the founder of the Movement epitomizes what is wrong with China today in these words :

The general psychology of our people today can be described in one word—spiritlessness.

And goes on to declare that

officials tend to be dishonest and avaricious ; the masses are undisciplined and callous ; adults are ignorant and corrupt ; youth becomes degraded and intemperate ; the rich become extravagant and luxurious ; and the poor become mean and disorderly. Naturally it results in the complete disorganization of social order and national life. Consequently, we are not in a position either to prevent or to remedy natural calamities or disasters caused from within or invasions from without. The individual, society, and the whole country are now suffering. It would be impossible even to continue living under such miserable conditions. It is, therefore, absolutely necessary to get rid of those backward conditions and to start to lead a new and rational life.

This indictment was delivered concerning a country which possesses a territory of nearly 4,500,000 square miles, a cultural history going back some 5000 years, abundant natural resources, a population of 480 millions, and a standard of living which makes the worst squalor known in Europe appear like paradise.

The remedy, again according to Chiang Kai-shek, is to cultivate the four ancient virtues, and so develop and raise personal character—and reconstruction.

The four virtues are "*Li*"—a regulated attitude towards life ; "*I*" or right conduct in all things ; "*Lien*", which

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means clear discrimination and honesty in personal, public, and official life, and "*Ch'ib*"—real self-consciousness, which may be translated as integrity and honour—a striving to improve the good and get rid of evil.

In short, the main object of the New Life Movement is to substitute a rational life for the irrational, and to achieve this we must observe "*Li*", "*I*", "*Lien*", and "*Ch'ib*" in our daily activities [states the strong man of modern China].

By observing these virtues, it is hoped that rudeness and vulgarity will be got rid of, and that the life of our people will be more refined in accordance with cultural and artistic standards. By art, we are not referring to the special enjoyment of the gentry. We mean the cultural standard of all the people. It is the boundary line between civilization and barbarism . . . a lack of artistic training is specially revealed in the prevailing social conditions of today. Suspicion, jealousy, hatred, and strife are symptoms of barbarism. To remedy these we have to emphasize art.

By observing these virtues it is hoped that beggary and robbery will be removed, and that officials will be honest and patriotic, that corruption will cease, and that people will pursue more productive enterprises. The poverty of our nation is primarily caused by the fact that there are too many consumers and too few producers. Consequently, many people have to live like parasites. To remedy this we have to emphasize the four virtues, and we have to make people work harder and spend less, and the officials be honest. This was the secret of success of the two ancient kingdoms Ch'i and Ch'u. It is also the primary cause of the strength of present-day Italy and Germany.

By observing these virtues, it is hoped that social and official disorder will be remedied, and that people will become more military-minded. If a country cannot defend itself, it has every chance to lose its existence. The larger its territory, the more attractive it looks to the invaders. There is only one way for national salvation—that is, to promote the economic stability of the country, and develop the patriotic and fighting spirit of the people. The communists are not yet completely suppressed, and our territory shrinks every day in the face of foreign invasion. In order to pass through this crisis successfully, we have to pacify the interior and resist external aggression. To do this we have to rely upon force. Therefore our people must have military training. As a preliminary, we have to acquire the habits of orderliness, cleanliness, simplicity, frugality, promptness, and exactness. We have to preserve order, emphasize organization, responsibility, and discipline, and be ready to die for the country at any moment.

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Such is the spiritual reconstruction which the Central Government seeks, through the New Life Movement, to achieve in China. What of the progress gained in the material plane ?

The industrialization of China has proceeded very slowly since its beginnings, some sixty-five years ago. Present developments, indeed, are disappointingly meagre unless one bears in mind that the Family System as it exists in China, sapping both the spirit of adventure and independent initiative, is a definite obstacle to industrial progress even when suitable projects have been devised, while the slow development of raw materials, the lack of railways and roads, and the general political situation are all against any spectacular advance such as Japanese industrialists, aware that a Chinese workman can thrive where a Japanese would starve, sometimes see in nightmares.

At present every important Chinese industry is dependent upon imported foreign machinery, imports of which rose from 4½ million Haikwan taels in 1913 to 45 million in 1931. The iron and steel industry in China is barely established, while there are no smelting-works at all worth mention. China produces 2 million tons of iron-ore yearly, and 26 million tons of coal. On the other hand, she possesses reserves of iron-ore estimated to total 950 million tons, and coal reserves, as has been stated, of over 200,000 million tons. Most of the iron-ore now being produced is controlled by Japanese and exported to that country, and ambitious Nippon has her eyes on the "untapped" resources also.

In the manufacturing sphere, China is making rapid strides. The number of cotton-spindles in that country rose from 2,843,000 in 1920 to 4,904,000 in 1930 and is still increasing. The number of manufacturing establishments at Shanghai owned and operated by Chinese was in 1933, according to *Statistics of Shanghai*, 2710, covering 62 different industries, the most important being cotton-spinning and weaving, silk-weaving, knitting, machinery, flour, printing, bleaching and dying, wooden furniture, electrical equipment, cigarettes, soap, and canned foods. Ten years ago, the Japanese sold large quantities of electric torches to China. On the quay at Hong Kong I was offered

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a Chinese-made electric torch for one shilling—and inquiry showed that a factory for their manufacture had been established in China, and the Japanese driven out of the market by the simple fact that the Chinese article retailed at 33 per cent less than the Japanese price!

Under the "Four Years Plan" approved by the National Economic Council, the Yangtze Valley is to become a centre of industrial activity. The plan provides for large-scale developments in coal, machinery, automobiles, sugar, paper, and porcelain, in regard to most of which China has been dependent upon imports in the past.

The three biggest projects under this Plan were for the establishment of a State iron and steel works, equipped throughout with German-made plant and machinery, a central machine works at Chenju, near Shanghai (at a cost of £800,000), and the erection of an ammonium sulphate plant jointly controlled by the Chinese Government, Imperial Chemical Industries (Britain), and the Deutsche Stickstoff A.G. (Germany).

The cost of these and other developments envisaged by the Plan was estimated by the Ministry of Industry at £20,000,000 a year for four years, and it was proposed that this sum should be raised by increased taxation on tobacco and matches. Unfortunately, the chronic and increasing poverty of the Chinese masses and the enormous burdens of military expenditure (the Chinese Budget provides for an expenditure of 31 per cent of the total national revenue on the armed forces, compared with 6 per cent on industry, communications, and reconstruction combined)¹ have prevented many of the schemes from progressing far beyond the blue-print stage.

Established privately owned industries are, through shortage of funds for development, experiencing like difficulties at the present time. The "Four Years Plan" has, however, led to a thorough investigation of the industrial possibilities of "middle China" for the first time, and if and when the present difficulties with regard to capital are overcome, substantial results may be achieved.

¹ Estimated military expenditure for 1936-37 amounts to 326,727,000 Chinese dollars, compared with 63,000,000 dollars for industry, communications, and reconstruction.

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Another industrial Plan, and one which has already yielded substantial results, has been carried out in Kwangtung, one of the provinces of the formerly semi-autonomous southern "group" which is now controlled by Nanking.

Kwangtung's "Three Years Plan" was promulgated in January 1933, and provides for the establishment of twenty-four modern industrial plants devoted to the manufacture of articles formerly imported, including silks, linen, cotton-yarn, woollens, sulphuric acid, fertilizers, cement, sugar, alcohol. It also provides for the development of hydro-electric power and iron and steel works within the province.

During the first eighteen months, £3,000,000 was laid out in these new industrial works, or about 16 per cent of the total sum called for by the Plan, a result which, considering the state of the provincial treasury and the poverty of the populace, was well up to expectations.

Some of the undertakings thus created, including a Government-owned Portland-cement factory, had already reached the dividend-paying stage, while negotiations were well advanced for the erection of an iron and steel works, with a blast furnace of 500 tons, a steel-rolling plant, and rolling mills, on the right bank of the Pearl River, about four miles from Canton.

Another industry established under this plan was the erection of a magnificent modern sugar-refining plant, complete with the latest machinery. This refinery was one of three which have been built in Kwangtung under a special "Plan within a Plan" which aims at supplying the entire needs of the domestic market for sugar. Having erected the first refinery, the Kwangtung authorities discovered that it had been built too far from the sugar-fields. The expensive plant could not be allowed to stand idle, however, and so the southerners proceeded to import raw sugar from foreign countries, and refined it themselves. As they refused to pay the almost prohibitive rate of tariff levied on raw sugar by the Central Government, the result was that the refinery showed a handsome profit from its inception.¹

¹ Mr. Feng Jui, former Cantonese Director of Agriculture, was executed on September 10, 1936, by the Nanking authorities for, among other things, "re-bagging smuggled sugar as Government products and obtaining illegal commissions on purchases of sugar-mill machinery".

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One of the most interesting areas of China, from the point of view of national reconstruction, and the region where the most ambitious programme of all is being steadily carried on, is the province of Kwangsi, the Governor of which is striving to make it a "model province" with considerable success. Kwangsi was the first province of China to pass a law that every village must establish a public school for the compulsory education of the children. That reform was held up through lack of teachers, and results have therefore fallen short of expectations. But considerable progress towards the ideal has been attained, and in this respect Kwangsi has set an example for all China to imitate.

The province spent nearly £2,000,000 in reconstruction projects during the three years 1932-35, the results of this outlay including the opening of new mines, the completion of new rural roads, and irrigation on scientific lines. Zinc and tin mines have been opened at Nantan, lead and antimony mines at Fuhsien and Hochi, a paint and varnish factory established at Wuchow. Nanchang, the capital city of the province, is being modernized at express speed, and provided with a hydro-electric power plant, waterworks, and a Government-controlled cotton-mill, the three projects costing £800,000.

Other industrial enterprises, privately owned and outside the "official" Plans, contribute to the commercial progress of the country. China is today exporting an increasing range of products, including soap, enamel-ware, canned fruit and vegetables, hosiery, fancy goods, and cotton piece-goods. Progress in these "light industries", however, is impeded by the disinclination of the average Chinese investor to sink his capital in sound business enterprises. The Chinese capitalist, whether large or small, prefers a speculation offering quick profits, while the foreign investor has in recent years been shy about investing further money in a country which had defaulted on many of its existing foreign loans and investments, and which was ravaged by civil war and subject to Japanese pressure. Conditions in this respect have shown considerable improvement. The revenues of the railways, especially, have been placed on a sounder basis, which offers hope for the future, and the recent

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currency reforms should enable progress towards financial stability to continue. Much depends, however, upon developments in North China.

China's paucity of communications, both roads and railways, has already been mentioned. Under the National Reconstruction programmes, impressive results have already been achieved in the sphere of railways and highway construction. There are now some 47,000 miles of roads available for motor transport in China, and most of these have been constructed since 1931. In the two years 1934-35, 4000 miles of new modern highways were opened for traffic in Shantung alone, with 800 motor-buses providing for public transportation. It is now possible to travel by car from Shanghai via Changsha to Changteh in Hunan; from Tsingtao to Weihaiwei and Chefoo and from Canton to Swatow, while a direct motor road linking Shanghai with Nanking is under construction.

Five years ago communications in China, save for the few districts served by railways, remained in the Stone Age. To travel from Central China to Chinese Turkistan or Suiyuan in the Great North-West, through Kansu, took nine or ten weeks. To reach Wuyuan in Hotao, Suiyuan, from Paotow, the nearest railway, took from five days to a week of hard journeying, although the distance separating the two cities was but 130 miles! The journey from Kuisui, in Suiyuan, to Urumchi could only be undertaken by camel caravan, and occupied about eight months. A motor highway has been constructed along that desert route, and omnibuses now make the journey in one week!

The initial step in this "war on inaccessibility" from which the interior of China has suffered since the days of the Ark was the formation of a National Highways Planning Commission in 1929. This Commission anticipated Mr. Hore-Belisha by promulgating a law which provided for a national system of highways under Government control and ownership. Twelve great national highways were scheduled for construction, involving 22,500 miles of new construction at an estimated cost of £75,000,000. These great roads, stretching across China from north to south, and from the coast to the borders of Tibet, are to be completed within twenty years. At first they will be made of earth, but

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modern surfaces will be provided as fast as time and money permit.

A substantial proportion of this ambitious programme within middle China, the area over which Chiang Kai-shek exercises undisputed control, has already been completed, with the aid of a free-labour system under which all able-bodied males between the ages of eighteen and fifty, in the districts through which the roads pass, may be forcibly recruited into labour gangs, the workers thus raised being provided with food and shelter, but supplying their own tools.

Between 1930 and 1934 the National Economic Council reported some 9000 miles of public highways had been opened for traffic in eight provinces alone, while another 1500 miles were under construction. In the province of Shensi 20,000 soldiers were disbanded and employed on road-making and afforestation in a region afflicted by periodic droughts. In a period of eighteen months over 2000 miles of modern highways were constructed and 160,000 trees planted. General Yang Hu-cheng, Central Government Commissioner for that province, aims at planting 5,000,000 trees in five years—striking evidence of what can be accomplished in China when once the blight of local militarism and private armies is eradicated and the inhabitants put to productive work.

In the case of the railways, developments have been mainly confined to improvements to existing lines rather than large-scale new construction. To construct new tracks China needs to import all the material and rolling-stock, and the national finances have not been favourable to such development on an intensive scale. Nevertheless, several important railway projects included in the reconstruction plans are nearing completion.

Most spectacular of these is the completion, in 1936, of the line between Canton and Hankow, a project started over twenty-five years ago. With the opening of the last section of this line, between Pingshek and Chichow, and the arrival at Hankow in September 1936 of the first through train from Canton, it becomes possible to travel by rail from Calais to Canton.

Other lines which are planned for the immediate future

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cover a total length of about 2000 miles, and the cost of construction is estimated to be about £100,000,000. Beyond that sum it is improbable that the Central Government, or China generally, will be able to go. A multiplicity of additional projects for further trunk lines, many of them soundly devised, depend upon a change of viewpoint on the part of the foreign investor whose money has financed railway construction in China in the past.

Meanwhile, there is general agreement that the standards maintained by the existing railways have been greatly improved during the past few years—an improvement reflected in the earnings of such lines as the Nanking-Shanghai railways, the Shanghai-Hangchow-Ningpo line, and the Tientsin-Pukow company.

While it is doubtless true that military and strategic rather than economic reasons are the mainspring of the feverish "drive" to provide China with new roads, and are dictating the prominence given to railway construction in middle China and the North-West, the results must greatly benefit the peasant populations of the districts thus provided with the means of transportation. Whether the peasantry will continue to look upon a good harvest as a curse, because in times of plenty the cost of getting their crops to market is more than they receive for them, is more problematical; for despite results which appear, and indeed are, impressive, the newly constructed and projected highways and railway lines will make very little difference to more than 1 per cent of the agricultural population of that country. It would need construction at the present high pressure for a century to bring to the whole rural population of China even the modest facilities for transportation at present enjoyed by, say, the farmers of Bulgaria.

National education in China has likewise made enormous strides during recent years. No aspect of reconstruction generates more enthusiasm in that country.

In the first year of the republic (1912) there were 86,316 elementary schools in China; in 1931 there were 261,264. During the same period the number of secondary schools rose from 373 to 1892, or, inclusive of vocational schools, to 3021, while the number of universities increased from 4 to 82 plus 29 technical institutions. The amount

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expended on higher education alone increased by 4000 per cent between 1912 and 1934.

The ideal of compulsory primary education for all has not yet been attained, but steady progress is being made in that direction, despite difficulties, the most important of which are the indifference of local authorities in some districts and the lack of teachers. When universal education was introduced in Japan, it was carried into effect with impressive speed. China, in seeking to achieve the same reform, is hampered by the size of the country, the remoteness of whole provinces from the administrative centre, and the fact that even when the co-operation of a province to plans aiming at the spread of education has been obtained, the provincial rulers are in turn dependent upon the co-operation of local officials. Added to which it has been estimated that at least 1,500,000 additional primary-school teachers must be found during the next eighteen years if the plans of the Ministry of Education are to be realized.

Handicaps notwithstanding, China is committed to mass education on Henry Ford principles. In 1932 twelve million Chinese children were being taught to read and write, to cultivate the four virtues of citizenship in daily life, to feel pride in their own country, and to hate Japan.

The educational programme has been designed to meet the needs of a primarily rural population, and its most outstanding points are the improvement of schools, the adoption of a simplified form of writing (there are some 30,000 characters in the Chinese vocabulary, and these have been reduced to a few hundred. Newspapers featuring this "simplified Chinese" are published daily in various areas), the provision of adult education for the vast mass of illiterates among the peasant millions, and education in agriculture and the principles of co-operation.

In 1934 there were 44,000 students at the Chinese universities and technical institutions, a figure representing an increase of 1000 per cent compared with 1912. In thus providing higher education for those seeking a professional career, China has received considerable assistance, in the form of both money grants and foreign professors, from educational institutions and endowments in other lands, notably from educational foundations in the United States.

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The major effort has, however, come from China herself, and that country deserved the tribute paid to its achievements under this head in the League of Nations Report, which stated that :

to have maintained, in the midst of civil disorder, international complications, sharp financial strains, and the recurrent calamities of flood and drought, the conviction that education of the rising generation is among the principal concerns of a civilized society, and to have laboured, as circumstances have allowed, to promote its development, is an achievement of which not all Western Governments have shown themselves capable.

The position of women—in the cities at least—has been revolutionized in the past twenty years, and their lives “reconstructed” more thoroughly than anything else in that country. Developments in the sphere of public health, on the other hand, have been extremely disappointing.

In China today [writes T'ang Leang-li], there are women doctors, artists, athletes, writers, bankers, teachers, lawyers, film stars, and the hundred and one other occupations followed by educated and ambitious women in Western countries. There has been a tremendous change within the last few years both in regard to the mentality and the status of women in China. The Chinese woman of today is no longer confined to the home, simply doing domestic duties, but is taking an important part with the other sex in political, social, and economic activities. She has come to the realization that she is not merely a female of the species but a citizen of China, and, being a citizen, must do her part towards the advancement of the nation. Hers is the duty to cherish the great and good traditions on which the nation has relied from time immemorial for power and strength, and at the same time to assimilate what other civilizations may have to offer for the elevation of China's standing in the world.¹

The bound foot, the former seclusion, the old-style hairdressing have alike gone, and with the free mixing of the sexes has developed a different mentality.

Marriage in China is now looked upon as an institution founded on mutual affection and help, rather than a one-sided surrender of the woman to the man, as it was in the past.²

¹ *Reconstruction in China*, p. 375.

² *Ibid.*, p. 376.

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Laws and fashions alike travel slowly in a vast land like China, and the effects of the new morality are more clearly seen in the towns than in the countryside. Neither the law which makes concubinage illegal and abolished plural marriage, nor the further enactment of the Central Government which struck a blow at the Family System by adopting the English method of inheritance whereby a man's property is, at death, divided equally between sons and daughters, has yet been generally adopted in the rural districts.

This last law is actually still unknown in many provinces, a fact which has probably saved farming families from a fresh affliction, for its provisions, involving the subdividing of land among whole families, and the giving of small plots to daughters married and living in other districts, would, if carried out, have produced chaos over wide areas. Fortunately for a Government which has enough problems on its hands without creating new ones, the observance of this Act has been confined to the cities, where it can be worked with advantage.

The need for a drastic improvement in the public health service in China needs no stressing to anyone who has had first-hand experience of that country, in which epidemics sweep over the land with discouraging inevitability. Those who doubt the severity with which smallpox, cholera, typhus, and plague ravage China have only to ask any port medical officer in the countries bordering the Pacific Ocean why the quarantine regulations are so stringently enforced in regard to all vessels from Chinese ports entering Japanese, British, American, and other harbours.

If more detailed evidence is needed, there is on record the cholera epidemic of May 1932, which swept over 300 cities in twenty provinces; the epidemic of bubonic plague in Shansi and Shensi in 1931; the cholera outbreaks at Shanghai in 1931 and 1932; the outbreak of cerebro-spinal meningitis in the Tangshan area in 1931, and the numerous outbreaks of serious disease in various parts of the country since those dates.

One medical unit in China—the Central Field Health Station—reported that during a period of a little over two years down to December 1933, it had examined 9117 cases of suspected cholera, 140 of dysentery, 1033 of typhoid,

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616 of para-typhoid, and 1589 cultures from diphtheria patients and contacts.

Added to all of which, the advice commonly given to foreign residents in China by their medical advisers provides abundant evidence of the dangers of bacterial infection which are ever-present even in cities like Hong Kong, Shanghai, and Tientsin.

The problems of public health in China are indeed so vast that the resources of the entire country in that respect, including the 430 "listed" hospitals of all sizes, would be needed to stamp out epidemics in a single province. And so long as the ragged millions of China remain sunk in acute poverty, ravaged by malnutrition, and steeped in Oriental filth, that state of affairs will remain.

The National Health Administration, established a few years ago, has done its best. In the laboratory of the Department of Parasitology flies are examined to determine their part in spreading infection, and investigations made into the purity of pickled vegetables, sauces, vinegar, and other foods. A start has been made in trying to reduce the high incidence of malaria. In one or two districts water-supplies have been improved. School and rural health services have been started, and child welfare work is not unknown. But years of work will be needed before the fly-borne menace is eliminated; and thousands of new and highly trained doctors would be necessary to safeguard the food-supply, and make a "frontal attack" upon malaria. While the number of schoolchildren who come within range of the school health services is less than one-quarter of 1 per cent of the elementary scholars in the country.

The achievements of the authorities in the matter of public health amount to a mere drop in the vast bucket of China, and those accustomed to the standards of public health attained in Great Britain, the United States—or Japan—will be more impressed by the conditions which anyone may observe for himself in any Chinese city than in the glowing reports in which the overworked and sincere doctors and laboratory workers of the Chinese Public Medical Service enshrine their achievements. In saying this I intend no criticism of a most worthy body of public servants. They do their best, and mostly they do it on the right lines

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and in the right way. But the problem which they are seeking to tackle is too large for any visible impression to be made upon it until vastly greater resources, both of money and man-power, are brought to their aid.

The crux of the Chinese effort at reconstruction, however, and the issue on which depends success or failure—is the regeneration of the countryside, or “Rural Rehabilitation”, as the Chinese have it.

The Chinese farmers, forming fully 80 per cent of the entire population, “carry the towns and the factory workers on their backs”. Today these farmers have barely enough to feed themselves and their families according to the low standard of subsistence existing in China—and the towns are eating imported food.

Despite the fact that she is essentially an agricultural country, the world's largest producer of kao-liang, sweet potatoes, tea, cabbage, bamboo, and soya beans ; that she ranks second in the production of rice, wheat, and tobacco, and third in cotton, there is the constant problem caused by shortage and maldistribution of food and agricultural products generally [admits T'ang Leang-li]. In the last four years the average import of rice was 17 million piculs ; in 1931 and 1932 over 2½ million tons of wheat were imported in addition to over 31 million 49-lb. bags of flour. The average (mill) consumption of raw cotton is 2.3 million bales of 300 lbs. each, of which amount over 50 per cent is imported, chiefly from the United States and India. Tobacco is another home-grown product of which the import is considerable.

This unsatisfactory state of affairs is not entirely due to political disturbances. In all parts of China primitive methods of cultivation, the excessively small size of holdings, lack of transportation facilities, shortage of capital, the steady deterioration of irrigation schemes and the decay of cottage industries (which formerly played a large part in the farmer's household budget) have contributed to a situation which has become desperate.

In the midst of these and other difficulties, including flood, drought, pestilence, and civil war, the patient, skilful Chinese cultivator tills the good earth and raises crop after crop, sometimes amounting to six a year.

The crushing burdens of taxation to which millions of cultivators have been subjected in the recent past

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would alone bring the farmers of any other country to despair.

Cases are on record in which local tax-gatherers have extracted from the peasantry taxation for twenty-eight years in advance, with no guarantee that additional taxes equivalent to the sums paid will not be levied again and again before the expiration of that period. Even where the Chinese system of taxation is levied in more orthodox fashion, the burden imposed upon the farmer is well-nigh insupportable.

One of the greatest of his achievements, in fact, is that he continues to exist and multiply in the face of all the adverse forces which tend to crush him. There is in China no record whatever of land ownership, no system of demarcating boundaries, and no orderly method of assessing and collecting the land tax. The land records are in the hands of hereditary leeches who alone know what each field ought (according to an assessment 200 years old) annually to pay. The figure being a secret, the amount actually extorted depends on the annual contest between the strength of the assessor and the skill of the assessee.¹

Under the direction of the National Economic Council a start has been made in the task of correcting abuses of taxation. In 1934 twenty-seven different miscellaneous taxes were abolished in the province of Hupeh; in the same year Kiangsi notified the Central Government that it was abolishing the "production tax" on the export of local commodities to other provinces, while the Chekiang provincial authorities achieved the truly remarkable feat of removing 280 different levies and taxes at one fell swoop. How many hundreds more are still in force in that province is not known. Comparatively little has, however, yet been accomplished in this direction; the most that can be said is that the worst depredations of the war lords have been stopped, and slight hopes raised that the system of land tax recommended by Dr. Sun Yat-Sen (under which the owner of land would declare its value and pay accordingly, subject to the right of the State to buy any land it desired at the declared figure of value) may one day be introduced. At

¹ *The Times*, June 22, 1936.

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present this system is being tried out experimentally in Kwangsi.

The plans for rural rehabilitation now being pressed forward in China include the provision of new roads, the spread of agricultural education, new irrigation schemes, the encouragement of the co-operative movement, and the provision of credit facilities at lower rates than the 30 to 100 per cent which the landlords and grain merchants—the usual lenders in rural China—have charged their victims in the past. Not forgetting the commendable promptitude which the Central Government reveals in dealing with any local war lords who raise their heads and threaten to dislocate the national effort anywhere within the area controlled from Nanking. Especial attention is also being devoted to the extension of cotton-growing, and the domestic crop is steadily increasing both in quantity and quality. Eventually China hopes to be independent of imported supplies of raw cotton.

Agricultural education takes two forms. There are some 750 institutes for the study of agricultural problems scattered throughout China, and maintained at a cost of some £500,000 per annum. And there is the newly developed enthusiasm for co-operation as an aid both in buying and selling.

In 1931, 1576 co-operative societies existed in rural China, with a total membership of 63,000. Since that date progress of the movement has been literally amazing, due to the fact that the provincial Governments have seized upon it as a means of working swift miracles in the countryside. By the beginning of 1936 the number of separate societies had increased to 20,000, and others were being formed at the rate of 5000 a year.

These societies form a natural method of aiding the poor Chinese cultivators, always assuming that they are established on sound lines and capably administered. Unfortunately, in the wild enthusiasm for co-operation which has afflicted rural China during the past ten years, this has by no means been universally the case. While the cultivators themselves, and the typical Chinese village community bonded together for mutual self-help, formed an ideal background for the introduction of co-operative

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principles, China possessed few men who understood how to work them, with the result that large numbers of the early societies ended in failure and discouragement for the members.

The laws relating to these societies have now been tightened up, and steps taken by the central authorities to provide adequate training for the co-operative organizers by the establishment of a Department of Co-operation within the Ministry of Industry, and the securing of the services of a trained British adviser with considerable experience of Asia to supervise the work of the new department. When properly trained organizers are available in sufficient numbers—and the advantages of audited accounts has been realized—there is every hope that through co-operation the Chinese cultivator will be able to market his produce to better advantage, and thus secure an improvement in his standard of life which will confer considerable benefits upon China. For not only do the new societies fit very well into the structure of village life, but the Chinese banks have proved themselves very willing to advance funds to such societies as are properly organized and run, thus removing one serious difficulty with which Chinese farmers are confronted—lack of capital for the provision of equipment and tools.

Other plans for assisting the countryside include a "Three Years Plan" for the improvement of sericulture, the development of stock-raising, afforestation, irrigation works, and the distribution by the various agricultural experimental stations which have been established of tested seeds and silkworm eggs.

Even more pregnant with hope for the future is the revolution in the morale of the rural districts which is being attempted by bands of educated Chinese men and women who have established adult educational centres in rural areas, and are living there and devoting themselves to spreading the newest ideas in agriculture, co-operation, education, hygiene, and national patriotism among the surrounding villages. These "missionaries" of the new China, by living simply and in accordance with the old Chinese virtues, and identifying themselves with the people among whom they dwell for a term of years, have in many cases

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achieved quite remarkable results. The importance of such voluntary work, from the national point of view, is that it points the way to improvement by securing the voluntary co-operation of the cultivators, rather than by laws enforced by bureaucratic officials. It is the "human touch" applied to those whose lives have for years been made a nightmare of insecurity by war: and rumours of wars, tax-gatherers and privation.

A word may be said here concerning one other aspect of the effort at national rebirth which the Central Government is attempting to impose upon China's millions. This is the plan to carry out a vast emigration movement within the borders of China itself by opening up the vast North-Western territories of that land to the cultivator.

These are the regions bordering on Mongolia and Tibet, including Suiyuan, on which the Japanese cast covetous eyes, and Sinkiang or Chinese Turkistan. In the past their remoteness from central China, and the lack of communications, has caused trade to flow north and west—to Russia, Afghanistan, and India—rather than to China, of which country the inhabitants of the territories formed a part. Thus in 1932 the North-West exported goods to the value of 13,528,000 roubles to Russia, 2,814,565 rupees to India, and only 737,250 rupees to China.

Progress in providing new highways linking them with central China has been discussed. In addition five great main roads have already been partly constructed, and further work, carrying these highways into the heart of the North-Western provinces, is proceeding.

China's newly awakened interest in her own North-West arises not from trade prospects, however, but from her dire need of land.

Much has been written concerning Japan's imperative need for expansion; China's plight is less well known, but in some respects as urgent. The economic pressure upon her rural cultivators is, in certain areas, very great; evidence of it was to be seen in the great movement of Chinese farmers into Manchuria during the closing years of the Chinese administration in the North-Eastern provinces.

According to T'ang Leang-li, were China's population equally distributed over the whole country, the result

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would give an average density of 105 to the square mile. But in actual fact that population is mainly concentrated in five densely populated areas, 83 per cent occupying only 17 per cent of the land, with an *average* density of 500 per square mile, and rising in places to 1000 per square mile. The same authority estimates that 65 per cent of the entire rural population is in dire need of land.

A careful survey of the North-West has shown that, given large irrigation schemes, there are some 50,000 square miles of territory suitable for settlement in six districts. Assuming settlement at 400 persons per square mile and allowing for the present inhabitants, this offers the hope of providing new farms for some ten millions of Chinese farmers. Other estimates are more optimistic—some authorities in China have visualized the North-West as a new "Promised Land" which will banish both land-hunger and poverty from the Chinese scene—but these figures, in the opinion of competent foreign observers, represent the maximum achievement likely to be obtained.

Considerable progress has already been made in irrigation works within this region—in Central Shensi, Suiyuan, and elsewhere.

China's hopes, so far as these outlying provinces are concerned, depend, however, in the last analysis more upon the aspirations of Tokyo and the activities of the Japanese militarists than upon irrigation, for two, at least, of the provinces concerned lie within the orbit of that autonomous group which the Japanese army has been so diligently cultivating in Northern China, and which has already detached some 10,000 square miles of additional territory from control of Nanking and placed it under rulers dominated by, and answerable to, the Japanese army.

China may draw up her "plans" for wholesale settlement in the North-West, but Japan has the bombing-squadrons, and meanwhile her military aerodromes established on Chinese soil stand sentinel over the territories which fringe Outer Mongolia.

Reviewing the efforts at national reconstruction which China has made since 1926, it may be repeated that, allowing for the size of her territories, that country has achieved more in ten years than Japan did in a like period after her national

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awakening. Yet it remains true that the national reconstruction now proceeding, measured by the needs of the situation, is ludicrously inadequate. Even assuming that all the multitudinous Plans now being hurried forward as fast as finances permit are carried to full completion, and further batches of fresh Plans are devised *d'la Russe*, it will be fifty years before the standard of living of the vast mass of Chinese people shows any appreciable improvement.

This implies no criticism of the Central Government, or other authorities in China. Torn by civil war, hampered by foreign aggression, with an impoverished national treasury, currency difficulties, and feeling the effects of a world-wide trade depression, China has made great efforts to put her house in order. The result shows only too clearly that the task is beyond her unaided powers and resources. The problems of China are indeed so vast that they would tax the resources of a wealthy, powerful, and highly organized community such as the United States or the British Empire to remedy within a short space of time ; for China to attempt to eradicate them in a brief term of years is to attempt the impossible.

More might have been achieved had the Chinese developed what may be termed Russian discipline—that unswerving loyalty to the régime which caused the workers of Soviet Russia to tighten their belts and live on short rations in order that funds might be accumulated to force industrialization through at top speed. In Cathay there is neither the discipline nor the determination. Despite a great deal of disinterested service to the “cause”, and the beginnings of a national patriotism which did not exist a few years ago, the country remains disunited, and the national energies are dissipated by the twin demands of strengthening its defences and ameliorating social conditions, of organizing resistance to Communists, Japanese, and stray war lords within its own boundaries, while at the same time concentrating on a revival of the national spirit.

It may be said that these are China's problems, and that China—aided where necessary by sympathetic foreign Powers—should be left to settle them in her own way and her own time. That is not the view held in Tokyo. Japan, only thirty-six hours away from Shanghai, has stated repeatedly

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that she cannot indefinitely remain indifferent to the danger to peace and prosperity of Eastern Asia represented by the existence of disunity, disease, and poverty on the Chinese scale. She inquires how the British people would view the same problem were the major portion of the Continent of Europe sunk in squalor and misery at our doors? She asks how Great Britain *did* react to such conditions when faced with them in the past—in India and elsewhere.

All of which would be more convincing were the evidence of Japan's desire to promote, by all the means in her power, the strength and unity of the Chinese people more clearly discernible. As it is, the available evidence points in the other direction—to Japan's desire to profit by the continuance of unsettled conditions in China, and her determination to frown upon suggestions that other Powers possessing interests in the Far East should assist that country in the task of reconstruction.

For China reconstruction is a race against time. She is making a gigantic effort to secure national rebirth at a moment when the greatest Power in the Pacific is embarked upon a policy of expansion at China's expense. China may win the race—but she started late, and the sands in the hour-glass are running out. Moreover, those who know conditions in the average Chinese city, and in the rural regions, wonder whether Solomon himself could make very much impression on that vast mountain of misery, disease, and hunger which is modern China.

CHAPTER XI

NORTH CHINA GOES WEST

THE most important man in North China is General Kenji Doihara, Japan's No. 1 negotiator and chief representative of Nippon's army in that area. The Japanese call Doihara the "Lawrence of Asia"; the Chinese have dubbed him the "Bird of Ill-Omen", the "Mysterious and Evil One", and other things even less complimentary.

It was Doihara who planned the various coups which eventually crystallized into the autonomous movement in North China. He scored a big success when Eastern Hopei declared its "independence" and the Eastern Hopei Autonomous Council was established under the leadership of Yin Ju-keng, a pro-Japanese Chinese. He scored another when he brought General Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council (a rival body hurriedly created by Nanking in an effort to checkmate the Japanese and save the two provinces for China) within the Japanese sphere of influence. Despite these substantial successes, however, General Doihara has not yet fulfilled the high hopes which followed him to China. He had planned to separate the whole of the five Northern provinces from the control of the Central Government, and to see Hopei, Chahar, Suiyuan, Shansi, and Shantung blossom forth as a compact "autonomous" bloc, independent of Nanking, and deriving its inspiration, its politics—and its goods—from Tokyo.

Doihara worked hard to create this new "puppet State" which, once in being, would have doubled the area of Asia under Japanese control. It was not his fault that events did not go "according to plan". Fifteen hundred Japanese came to the rescue of North China. The Tokyo rebels who seized that city in February 1936 upset the plans of the Japanese militarists, and they had to go slow for a time. Pressure on

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China relaxed. Which must have been a disappointment to the "Lawrence of Asia", for Doihara is not the sort of General who likes to be defeated by captains and corporals.

Major-General Kenji Doihara, chief of the military mission at Mukden—to give him his correct title—looks exactly the part he has played in Japan's expansion. Foreigners refer to him as a subtle negotiator. The Chinese call him a Japanese crook.

Squat and heavy in appearance, he does not wear his hair close-cropped as most Japanese officers. His face is square, his eyes keen and observing, his chin heavy and truculent. He rarely talks for publication, but prefers to work behind the scenes, with pro-Japanese Chinese figure-heads in the limelight. When he breaks silence, what he says is brief and to the point.

"The thing North China must do is to create the sort of civilization Japan has created for herself," he informed John Thompson of the *San Francisco News* early in 1936, "and which is being evolved in Manchukuo at present. It consists of the blending of Eastern and Western civilizations, but one which is entirely Asiatic and peculiarly suitable to the peoples of Asia.

"All China must eventually adopt such a viewpoint. Particularly in the South, sentiment is decidedly in favour of some such idea, embracing a complete split with Nanking. These people are practically independent now, and a declaration of independence would be merely a matter of form."

"And what when China had passed completely under the sway of such a civilization?" asked Thompson. "Would the movement stop there? Or would it be fostered so as to spread into Indo-China, India, and other possessions of Western Powers in Asia?"

General Doihara's reply was that the movement would certainly attract in time other Asiatic peoples.

"There could be no objection," he added, "if a proper understanding of it is gained by the Powers concerned. There is no question of eliminating them from their position in Asia. The idea is merely that a new civilization would spread throughout the vast Asiatic continent." And he added that while Japan would not, in any case, be strong

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enough to force such an issue, that country was obviously the natural leader of the new Asia which would thus be born.

Doihara is the "diplomat" entrusted with carrying out the first stage of that dream of a "nipponized" Asia; his collaborator in that task was, until the middle of 1936, General Hayao Tada, the Japanese Commander-in-Chief in North China, and the man who "rattled the sabre" whenever Doihara gave the signal. Tada is a soldier with little use for polite phrases which conceal rather than reveal thoughts; consequently whenever one wanted to know anything about the real aims of Japan in China, he was the man to go to.

In February 1936 General Tada let it be known that he was not satisfied with the progress made by the so-called "autonomy movement" in North China.

But [he added] our plans will be carried out, for the Chinese in the North want to get rid of the dominance of the Kuomintang, the ruling Nationalist Party. They have asked us for help in the matter. They have also asked us for economic and technical advisers, and we are furnishing them. It is both desirable and inevitable that an economic *bloc* should be formed embracing Japan, Manchukuo, and North China, and all our plans along this line will be carried out.

Due to mismanagement and oppression, the economic plight of the farmers in North China has become terrible. When I first came here twenty years ago, the fruit in these parts was wonderful, and the farming population prosperous. When I returned, I found the farming community has been so oppressed that they can barely eke out an existence and are not able to tend their fruit trees, with the result that North China fruits are at present very inferior, thus destroying the income so necessary for the farmer's existence. Everything has been stripped from them and taken away by grasping war lords. This condition must be remedied. The Chinese people will stand only so much, after which they rise up and make the necessary changes. This is what is happening here now.

But according to Tada economic distress was only one reason for the presence of Japanese garrisons in that region of a nominally "friendly" State. Another was the communist menace.

There must be absolute co-operation against Communism in North China between Manchukuo, Japan, and the people of North China, and for that reason the present Japanese army stationed here

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is entirely insufficient. Additional Japanese troops are going to be moved into this territory shortly.

Whatever the motives, strange things have been happening in the two provinces of Hopei and Chahar during the past two years, and the procession of events bears a startling resemblance to earlier happenings in Manchuria.

Duly accredited diplomats of the Nanking Foreign Office have been dismissed to make room for successors appointed by the pro-Japanese local authorities in control. A Japanese expert has been placed in control of railways, telegraphs, and communications. Chinese troops have been evicted from their barracks in order to provide shelter for Japanese regiments. Military training in the universities and schools, ordered by the Central Government of China, has been discontinued and the instructors sent south—by order of Japan. That country, through the Cultural Affairs Bureau of the Tokyo Foreign Office, is planning to establish an agricultural experimental station at Tientsin, without awaiting any invitation from Nanking to do so. The Hopei-Chahar Political Council, listening to "their Master's Voice", have taken the first step towards an independent currency system in those two provinces by making the Provincial Government Bank the sole note-issuing institution. The schedule of tariffs on foreign imports levied throughout China was scrapped, new and lower tariff schedules were announced, and the money thus collected went, not into the till of the Chinese Maritime Customs, but into the coffers of the "autonomous" Governments.

Thus, under the expert guidance of General Doihara, the great Empire-builder of the East, two of the five Northern provinces of China "went west". The Chinese Republic was robbed of a further 10,000 square miles of territory and a customs revenue amounting to £120,000 a week. And North China, or as much of it as had passed under Japanese control, was converted into a thieves' kitchen.

This latest extension of Japanese hegemony on the Asiatic mainland has been accomplished without any armed conflict. The "barbarians" have been subdued while the sword of Japan remained in its scabbard.

Prior to the Japanese "drive" the position in North

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China had been "regulated" in a manner favourable to Japanese aims by the establishment of a demilitarized zone along the borders of Manchuria, and by the terms of the mysterious Tangku Truce—a secret agreement arrived at in 1934 between the Japanese army and certain shadowy persons in China. The Japanese take this "truce" as the document which regulates their position in North China, and declare that they have taken no action contravening its provisions.

Under this agreement the Chinese signatories consented to withdraw all Chinese troops south of the Yellow River and to keep them there; permission was given to Japan to maintain such garrisons as they thought fit at Peiping and Tientsin; the region between Shanhaikwan and Peiping became a neutral demilitarized zone into which no Chinese armed forces could move, and it was further agreed that all Chinese officials would co-operate with the Japanese Military Command in suppressing anti-Japanese activities—what is an anti-Japanese activity being decided by the Japanese High Command! The Japanese army, on the other hand, agreed to co-operate with the Chinese in suppressing Communism within the area concerned. Thus, when the spurious "autonomy" movement raised its head in Eastern Hopei, under the leadership of Yen Ju-keng, a Chinese official who had been educated in Japan and is married to a Japanese, China could not move any troops across the Yellow River and against the seditious leaders without finding herself opposed by the Japanese forces.

Unable to exert its authority except by indirect means, Nanking hurriedly sanctioned the formation of a separate administrative unit, known as the Hopei and Chahar Political Council, under the chairmanship of General Sung Cheh-yuan, Governor of Hopei. Immediately this Council had been formed, the Central Government ordered Sung to arrest Yen Ju-keng and abolish his "independent" administration. Unfortunately for Nanking, General Sung nursed certain grievances dating from 1933, when he had fought a campaign against the advancing Japanese, and the newly appointed representative of Nanking preferred, therefore, to remain on "harmonious terms" with the dominant Power in North China. No attempt was made to arrest

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Yin, who continued to visit Peiping openly whenever he chose, and to receive visits from prominent Japanese and Manchukuoan officials.

Safely defended by Japanese bayonets from both General Sung, his rival, and Nanking, Yen proceeded to tighten his control over the demilitarized zone, comprising about one quarter of the province of Hopei lying northward of the Great Wall, and spreading over some 5000 square miles.

Within this area Japanese aerodromes have been built, a Japanese army stationed, and Japanese officers are helping to create a "defence force" of some 20,000 "autonomous" troops, while Japanese civilian advisers have been appointed to assist in the administration of the territory. Finally, in order to round off the area within his control, early in 1936 Yin occupied Tangku, at the mouth of the Hai River, thus bringing the boundary of his "State" to within two miles of Tientsin.

On October 14, 1935, while these events were proceeding a conference of Japanese army officers assembled at Dairen, and a further conference of Japanese military officials met at Shanghai the following day. Following these meetings, the Japanese militarists, headed by General Tada in person, announced that they had reached agreement on a new policy for China !

This policy provided that :

(1) Japan in future will deal only with *de facto* authorities in matters relating to China.

(2) Efforts will be made to convince China that she should not depend upon Europe or the United States for assistance, whether political, financial, or economic.

(3) No new loans will be made to China, in view of past defaults ; but assistance will be provided by Japan in the form of fresh investments aimed at developing raw materials.

(4) Railways to be constructed, with Japanese assistance, between Shihchiachung and Tsangchow in Hopei, and from Kaomi to Hsuechow in Shantung.

(5) Shansi coal, Honan cotton, and the gold-mines on the borders of Hopei and Jehol to be exploited with Japanese assistance.

It should be noted that this new policy was presented to China by the Japanese army without any reference to the



DOIHARA'S "WATCHDOGS"

Japanese troopers dis-entraining in North China to assist Major-General D

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Foreign Office at Tokyo or the Japanese Government. It was, in fact, an ultimatum, and November 21 was the date fixed for acceptance of the demands.

Yen Ju-keng, on behalf of the "Autonomous" Government of Eastern Hopei, accepted with alacrity. General Sung of the Hopei and Chahar Political Council sat on the fence. The opinion of the Central Government of China regarding these developments was not regarded as of any great moment. Or perhaps General Tada had by this time despaired of convincing Chiang Kai-shek that Japan's every action was based upon genuine friendship for the Chinese people.

The next moves in the game of separating the rich North of China from the administrative control of Nanking followed swiftly. First the Japanese army sacked the Mayor of Peiping, and put General Sung in his place for a few days—evidence that Sung was proving "amenable" to Japanese pressure. Then Sung stepped back and the job was given to a pro-Japanese Chinese. Shortly after this last appointment had been announced, Japanese troops began arresting Chinese inhabitants of the old "Imperial City" for alleged anti-Japanese activities. Thus in November 1935 the world witnessed the spectacle of Chinese citizens being arrested *in China* by the troops of a foreign Power for the "crime" of speaking against Japanese aggression in North China, as revealed in Eastern Hopei and elsewhere!

The role in the drama played by General Sung Chch-yuan from that time has been dictated partly by the fear that, in any case, Nanking could not render him any effective assistance in the event of a break with the Japanese, and partly by his desire to profit from the existing situation. The opportunity to control the revenues of Hopei and Chahar must also have proved tempting, for the Tientsin customs revenue alone amounts to about £3,000,000 per annum, being roughly one-sixth of the total customs of all China.

A proportion of these funds was earmarked for the use of Yin Ju-keng's régime at Tungchow, and similar steps were taken in regard to the salt gabelle revenues—the whole of which, collected in the two provinces, were withheld from Nanking. Earnings of the Mukden-Peiping railway, which crosses Yin Ju-keng's territory, were also

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retained, and a Japanese nominee appointed to control the railway administration. Hopei and Chahar represented, therefore, a rich "plum" to the rival "autonomist" leaders, and it was not surprising that both Yin Ju-keng and Sung Chih-yuan should strive to oust the other.

General Sung, still in close touch with Nanking, but feeling more than a trifle sore with the Central Government, used his personal prestige, and his personal army of 50,000 men, as pawns in the intrigues which followed, hoping to persuade General Doihara that the interests of the overlords would be best served by the absorption of Eastern Hopei into his own administration, thus restoring the demilitarized zone as nominally Chinese territory. His rival, Yin Ju-keng, held equally strong cards, if not better. Whatever the truth about rumours that Yin is related by marriage to a high military official in Japan, there was nothing ambiguous about the "recognition" accorded to the "autonomous" Government of Eastern Hopei by the authorities at Tokyo. Further, armed with the sinews of war in the shape of the confiscated revenues of the demilitarized zone, Yin was strongly entrenched and making too good a thing out of the suddenly discovered urge for freedom on the part of the inhabitants to resign without a fight. As the story going round Peiping put it: "Yin spent 12,000 dollars on buying his favourite dancing-girl as a concubine, and is prepared to spend a thousand times that sum to keep Sung out."

While clearly preferring to back Yin as their "stool-pigeon" in North China, the Japanese army did not entirely rule out the possibility of combining the two régimes under General Sung. Their terms were, however, stiff. According to information from a well-informed source in Peiping, these included :

Issue in the two provinces of a separate paper currency, entirely distinct from Nanking [this has since been done], and permission to circulate Japanese and Manchukuo currency within the area.

Complete removal from Central Government control of all railways in Hopei and Chahar, and of all national revenues, including customs, salt gabelle, posts, and telegraphs.

Full restoration of trade and diplomatic recognition between North China and the State of Manchukuo.

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Conclusion of an agreement for military co-operation between North China, Manchukuo, and Japan against Communism (this involving a defensive alliance against Soviet Russia).

Employment of Japanese advisers in all technical departments within the administration, and the extension of the autonomous régime to include Shansi, Suiyuan, Shantung, and Chahar provinces—that is, over the whole of North China.

While General Sung had at that date severed many of the ties linking him with Nanking, he remained the head of a "Council" created by the Central Government of China. He also remained Chinese, both in his love of power and his affection for compromise. There is, in fact, no evidence whatever of any desire either on his part or on the part of his associates to submit to becoming a meal for Japanese militarists if it could be avoided. He hesitated to accept "conditions" which meant the virtual annexation of what was left of Hopei and all of Chahar by the Japanese, and sought refuge in generalities which concealed his intentions.

Yin Ju-keng had fewer scruples on the subject—or perhaps one should say he was more convinced concerning North China's yearning for autonomy—and so he remains General Doihara's "white-headed boy", and the Japanese army's chief hope of annexing North China while the militarists remain, more or less, in the background.

The Japanese, as might be expected, see General Sung Chih-yuan's protracted game of three-handed diplomatic poker in a different light.

Viewed from Tokyo or General Doihara's desk, General Sung was just another semi-feudal, greedy Chinese militarist who owed his position to successful intrigue.

Taking advantage of the tense situation in North China, he checked the influence of the Central Government until he had won the leadership of the North, and then proceeded to keep both Nanking and the Japanese guessing—leaning first in one direction and then in another.

Sung, say the Japanese, has toyed with every faction in North China but one. Intent above all else upon holding down his job, he refused to identify himself with the spontaneous demand for autonomy raised by the people over whose destinies he rules. Thus the autonomy movement suffered a setback owing to the opportunist policies

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of a war lord who values personal power above all else. And the Central Government, sensing Sung's desire to maintain his position, and anxious to avoid the loss of "face" which would follow upon the complete separation of North China from their control, were able to remain in nominal authority over the region administered by the Hopei and Chahar Political Council by making concessions to General Sung and bolstering up his tottering position. The full-throated demand of the common people for independence was by this means suppressed, and the coming of a five-province autonomous federation delayed.

Such is the Japanese view concerning the methods by which the Central Government has maintained some shadow of its former power in North China. The truth is slightly different (although the reasons behind Japanese annoyance with General Sung are not difficult to detect).

The whole of the growing fabric of Japanese penetration in North China is based upon a convenient fiction—the alleged spontaneous demand on the part of the inhabitants of the five Northern provinces to sever the bonds which bind them with Nanking—a demand frustrated by ambitious war lords who know that if the wishes of the people were consulted, both they and Nanking would go into the discard.

This "demand" for autonomy was invented by Tokyo and propagated by the Chinese lackeys of Japan and the Japanese army.

During a recent trip to that part of China I completely failed to discover a trace of the "broad sweeping popular autonomy movement" about which I read so much in the Japanese Press on my return to Tokyo,

William H. Chamberlin, Far Eastern correspondent of the *Christian Science Monitor*, has stated. I had no better luck myself while in North China recently. As Mr. Chamberlin aptly puts it :

The prevalent mood among the Chinese masses, so far as I could discover, was one of apathy. Only a few incurably optimistic Japanese generals could envisage them as panting with desire to write a Declaration of Independence and cast off the yoke of Nanking.¹

¹ *Asia*, April 1936.

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The methods employed to advertise the fierce longing for "freedom" of the inhabitants of that region are well illustrated by the "Dare to Die" autonomous movement which was launched at Tientsin, only to be killed by the laughter with which it was greeted by the inhabitants. Later, following its disappearance, it was discovered that all members of the "movement" were being paid forty cents a day out of Japanese funds in return for voicing "autonomous sentiments" !

The leading authorities of Peiping University, one of the most respected and influential cultural centres of Asia, issued a proclamation declaring that there existed absolutely no tendency to autonomy either in Hopei or Chahar, but that the campaign to that end was initiated, fostered, and financed by the Japanese. This proclamation inflamed the students in all parts of China as much as it annoyed the Japanese. University students in all parts of the country followed the lead of Peiping in declaring that they would oppose autonomy "to the last ditch", adopted the slogan "Down with Japanese Imperialism", and demanded "emergency education" (meaning military education), instruction in the use of machinery likely to be useful in time of war, and in measures to resist gas attacks. This united student movement, still less than three years old, is not without importance when one considers the future of China. Masses of students agitate continually for "education" which will prepare them for the conflict which they demand, and which they are convinced cannot be indefinitely delayed if China is to retain any shred of honour. If a united China is achieved in the near future, it is the Japanese army which will be able to claim credit for that miracle !

Contrary to expectation, even the Japanese have so far failed to detect any popular demand for autonomy either in Shansi, Suiyuan, or Shantung, the three remaining provinces which figured in General Doihara's original plans.

Shansi has made considerable progress under a "model Governor", and shows few signs of "going Japanese" unless strong pressure is applied by the Japanese army.

The province of Shantung has for some years past enjoyed both good government and a large measure of "home rule". It is also the only province of the five on

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which General Doihara cast covetous eyes which lies south of the Yellow River and outside the area into which China is prohibited to send troops under the Tangku Truce. When, therefore, the first reports of Japanese aims in regard to Shantung reached Nanking, the Central Government let it be known that Chiang Kai-shek would oppose a Japanese invasion of Shantung with all the force at his command. Faced with this declaration and feeling, no doubt, that whoever won such a conflict the province would certainly lose it, Han Fu-chu, the Governor of Shantung, presented a firmer front to Japanese demands than any of his neighbours in North China—his “firm front”, it must be admitted, consisting chiefly of employing against them the old Chinese stratagem of being conveniently ill whenever the emissaries of General Doihara came to see him!

Should Japan's next step be to extend her influence over Shansi and Suiyuan, and add those two provinces to the “autonomous” group, as is generally expected, it is unlikely that the Chinese Government would oppose this further rape of China by force of arms. The Chinese Generalissimo, for reasons discussed in a later chapter, is not yet ready to venture his armies across the Yellow River. But it is equally unlikely that either Nanking or the Chinese people (whether of the North itself or elsewhere) would indefinitely accept the situation which would thus be created by direct foreign intervention on their soil. As for Yin Ju-keng, those who dislike violence must hope that that worthy never strays within range of any group of Chinese students; in that case the end of the “arch-traitor” will be swift and not exactly painless.

Events in Northern China would have taken a very different course had Japan been prepared to repeat the methods followed in Manchuria and present the world with a *fait accompli*. But she wasn't. Desiring to avoid any serious foreign complications, and with the Japanese General Staff preoccupied with the aftermath of the February revolt, the “autonomy” movement was invented as a smoke-screen behind which General Doihara could attempt to bring the local Chinese rulers to heel with the aid of sundry “strategic” troop movements and a few experimental flights of bombing-squadrons.

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Out-and-out force would have settled all issues in forty-eight hours. Failing that much-tried remedy, the Japanese Military Command had to descend to bluff. And they were up against the world's shrewdest gamblers. The Chinese authorities in the five provinces concerned sensed that out-and-out annexation was for once not on the agenda, and sat put.

It was at this point in the proceedings that General Doihara faced his first defeat. The stage was all set for a conference of Chinese war lords at Peiping, at which an autonomous régime over all North China was to be proclaimed. Doihara waited, like a Caesar of old, to receive the homage of the chieftains. The Chinese war lords decided suddenly that they could keep both their shadowy link with Nanking and their jobs. On one pretext or another they stayed away.

The "earnest desire of the people for autonomy" being checked (for the moment) by the "selfishness of Chinese war lords", the Japanese empire-builders thought again. Their mental exercises resulted in a new plan for what may be termed an intermediate stage in the process of swallowing North China.

This new scheme provided for the formation of a "joint defence commission" covering the five provinces, in which the Japanese army would, needless to say, play the leading role, but—and this was the bait—with the proviso that provinces should remain under the nominal control of the Central Government of China.

On the other hand, the "special interests" of Japan (ominous phrase !) would be recognized by full co-operation in defence, the appointment of Japanese advisers in all departments of Government, and the use of Japanese capital for economic development. Japan was also to have the right to build strategic railways in the region, and the tariffs levied in all five provinces were to be reduced to the Hopei-Chahar level. It is believed that under this scheme Chinese postage-stamps might still be used on correspondence, otherwise it is difficult to see where Nanking came into the picture at all.

That the people of North China would benefit by the introduction of Japanese capital and enterprise into that region on a large scale must be admitted ; that the adoption of this plan would operate against the interests of Nanking

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and foreign business generally is even more obvious. But General Doihara cannot be expected to worry overmuch about that aspect of his diplomacy. His job, in essence, is to form an anti-Soviet *bloc* bordering on Outer Mongolia, and one must admire the patience, ingenuity, and pertinacity with which he pursues that aim.

Whoever wins North China in the end, Nanking has lost out in the three-sided boxing-match which has been proceeding. The Japanese army has two very good reasons for persevering with the task it has set itself—to separate the North from Nanking and place it within the orbit of Tokyo, and to consolidate Japanese influence in Inner Mongolia as a wall against Soviet penetration into China and a further step towards the dream of a united Mongol State under Japanese tutelage—the territories inhabited by the Mongols include regions of Chahar and Suiyuan, hence Japanese pressure both on General Sung in Chahar and General Pu Tso-yi in Suiyuan.

The repercussions of Japan's activities and aims in North China were not overlooked either in London or Washington. Sir Samuel Hoare, then Foreign Minister, expressed the "considerable anxiety" which the British Government felt over events, and informed the House of Commons that the British Chargé d'Affaires at Tokyo had been "especially instructed to inform the Japanese Government of our concern and to say that we should welcome a frank statement of Japanese policy". To which the Japanese replied by disclaiming any connection with the "autonomy" movement in North China!

Mr. Cordell Hull, American Secretary of State, also issued a statement declaring that "whatever the origin and whoever the agent and whatever the methods", unusual developments in North China were the concern not of China alone, but also of other Powers including the United States. And Mr. Hull added that :

As I have stated on many occasions, it seems to this Government to be most important in this period of world-wide political unrest and economic instability that Governments and peoples should keep faith in principles and pledges. . . . This Government adheres to the provisions of treaties to which it is a party and continues to beseech respect by all nations to the provisions of treaties solemnly entered

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into for the purpose of facilitating and regulating, to the reciprocal and common advantage, the contracts between and among countries.

It was, however, too late to stop aggression in China by appealing to the provisions of the Nine-Power Treaty—unless, that is, either Great Britain or the United States were prepared to present an ultimatum to Tokyo. Nothing short of that would seriously have disturbed the carefully prepared plans of General Doihara. And neither Government was willing to throw down the gauntlet on behalf of a long-suffering China.

Meanwhile, the Japanese are making the most of the ground which has been gained to date. And business and vested interests in North China fear the worst.

The Japanese are, according to indications which I found in that region, going about the economic conquest of North China in a very efficient and systematic manner, taking care not to repeat there the anti-capitalist bias which the idealists of the army enforced in the case of Manchukuo, where development is mainly concentrated in the hands of the Tokyo Government.

In North China big business is making its plans without waiting for the final outcome of the diplomatic-military duel between Chinese war lords and the Nippon army. The South Manchurian Railway, for instance, has organized the Hsing Chung Kungsu, a new Japanese investment corporation capitalized at ten million yen with offices at Shanghai. This organization aims at the development not only of North China but of all China, as far as is possible, and its backers include Mitsui and Mitsubishi, the Japanese financial giants, in addition to the wealthy South Manchurian Railway.

The Chinese, not unreasonably, are apprehensive. They see in this development the forerunner of economic activities and "special privileges" similar to those of the South Manchurian Railway in Manchuria, which eventually provided the excuse for the absorption of the three Eastern provinces by Japan. To which the Japanese have replied by inviting Chinese capital to participate—under Japanese control.

Of the established concerns affected by developments, one of the most important is the Kailan Mining Administration at Chinwangtao, the largest coal-mining concern in the

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Far East. This company is jointly owned by British and Chinese capital. The British officials do not fear that their holdings will be disturbed, but they are apprehensive concerning the possibility that the Japanese will exert pressure upon the Chinese partners to sell some or all of their interest in the concern to the nominees of Tokyo, thus forcing the British to run the concern jointly with Japanese partners.

Another threat to the peace of mind of the Kailan Mining Administration is the reported intention of the Japanese to develop the rich coalfields in Shansi province as soon as their position in that region, and their relations with the local war lord, are more firmly established. Such competition, if it comes, might embarrass the British at Chinwangtao. By such means the Japanese aim at eliminating non-Japanese enterprises while avoiding the stigma of illegitimate methods.

The United States is more fortunate, in that there are no large-scale American enterprises in North China, apart from the market for petroleum. In regard to that import, the Chinese oil people, who buy mostly from California, fear that they will meet the fate of their *confrères* in Manchukuo, where a Government sales monopoly was established shortly after the conquest of that country. In the sale of oil, retailing is the most profitable end, and it may well be that Japan will seek to get this trade into her grip through selling monopolies established ostensibly by the "autonomous" Governments hoisted into power by Japanese bayonets and diplomacy.

The Japanese financial interests would hardly formulate plans for fresh investments in North China if they had any doubts concerning the identity of the future ruling Power in that area. To say, as some of Tokyo's mouthpieces do, that they are proposing to pour millions of yen into Hopei, Chahar, and Shansi out of pure sympathy with the plight of the poor "autonomous" Chinese simply will not do. Unless they were satisfied that General Doihara holds the trump cards, Messrs. Mitsui and Mitsubishi would be missing from the scene. Those great Japanese Rockefellers follow the flag of the ever-rising sun ; they never precede it. They know, better than anyone else, exactly where Japan stands in

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that maelstrom of plotters, intriguers, wire-pullers, revolution-hatchers, opium and narcotic traffickers which is called Tientsin. City of *coups* and plots, of comings and goings, Tientsin is the Japanese General Headquarters in the North China "campaign". It is Tientsin, two miles beyond the boundary of Yin Ju-keng's "autonomous" State of Eastern Hopei, which runs the whole show for Japan, and the hard-boiled Japanese in charge take good care that they do run it.

Such are the ramifications of Eastern Asia that there is something to be said for the opinion of a prominent Japanese official in North China who said to me, "Economically, Manchukuo and North China are one. Co-operation between the two countries is absolutely essential to Manchukuo."

Most of Manchukuo has been colonized by immigrants from Hopei and Shantung. These have relatives still living south of the Great Wall, and they make their purchases and in general do business as far as possible with North China, where they came from—thus sending profits earned in Japan's puppet State to China, which does not suit Japan's book. Further, each summer nearly half a million labourers and peasants migrate from North China to Manchuria to work on the farms, returning across the frontier when winter sets in. Thus more of Manchukuo's wealth goes back to North China, and finds its way eventually to Shanghai—and Nanking.

With open and avowed annexation ruled out for financial and political reasons, the solution which finds favour with the Japanese military mind is the linking of North China, politically and economically, with Manchukuo through a series of "autonomous" régimes, which may later be combined into one independent "Chinese State" under Japanese authority and protection.

If further explanation of Japan's recent actions in North China is necessary, it is provided by a vast population which, suitably cultivated, offers a valuable outlet for Japanese goods. In place of anti-Japanese boycotts, North China now provides Japan with a privileged position; that is the latest gift of the Japanese army to the glory of Nippon. The provinces are rich in natural resources, and in Shantung (if the Japanese get it) there exist possibilities of raising enough raw cotton to make Japan independent of American supplies of that material. The importance of securing control of

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land suitable for cotton-growing, and near enough to Japan to be defended by the Japanese navy in emergency, would alone justify all that has happened in North China since the first Japanese trooper crossed the Great Wall at Shanhaikwan.

The plains of Inner Mongolia, including Suiyuan, offer magnificent grazing-land for sheep at a time when Japan is striving to diminish her dependence upon Australia for her supply of raw wool. Shansi is richer in coal than any other province of China. Oil is also believed to exist there, though no detailed survey has yet been made. According to the Japanese themselves, there is gold in abundance in both Chahar and Suiyuan.

Viewed in this light, those who financed the activities of General Doihara in North China were no gamblers; they were backing a certainty. The only question was how great a show of force would be necessary to make the "autonomy" fake work. And how long it would take. In this respect two factors have upset General Doihara's calculations—the "intransigence" of one or two of the Governors concerned—notably General Pu Tso-yi of Suiyuan, and General Yen Shih-shan of Shansi, neither of whom like the look of the "autonomy" idea at all—and the Japanese military revolt at Tokyo. But it is impossible to doubt that so far as China north of the Yellow River is concerned, the Japanese will have their way sooner or later.

To think otherwise would be as ultra-optimistic as the Chinese aristocrat whom I met in Peiping. Dispossessed and thrown on to the scrap-heap by the Chinese revolution, this old gentleman assured me that the day would come when the Manchus would return to the Imperial Palace at Peiping, and when he would have his old palace and fortunes restored to him. The first part of the prophecy may well come true, for the living head of the Imperial Manchus is, by the grace of Nippon, the present Emperor of Manchukuo, and there are far more unlikely things in Eastern Asia than his elevation to the throne of his forefathers as Emperor of an "autonomous" North China. But for all that, the chances of those Chinese Imperialist refugees at Peiping ever seeing their palaces and their old splendour again are pretty thin. Manchus or no Manchus, the Japanese will be paying the piper in that city—and to them will go both the power and the glory.

CHAPTER XII

THE THIEVES' KITCHEN

WHEN the Japanese historians come to write the story of these "years of emergency", they will almost certainly suppress all mention of the orgy of smuggling which, conducted by Japanese and Koreans, broke out in North China in August 1935, and reached its crescendo during the opening months of 1936. Nothing more discreditable to the national prestige of Japan has occurred in the whole history of that country.

This smuggling campaign was begun by Japanese and Koreans on the spot, who saw, in the fact that all Chinese customs officials and police had been disarmed throughout North China under the terms of the 'Tangku Truce, an opportunity to emulate the methods of American gangsters. Within a few months the game of growing rich at the expense of China had grown to such proportions that railway wagons collapsed under the weight of contraband, Chinese passengers were turned out of Chinese trains by armed bands to make room for smuggled goods, and one of the "Big Shots" in the trade was boasting openly in Tientsin that he could "supply anything at duty-free rates—except elephants".

That golden age lasted for some twelve months, until the spring of 1936. Then the "special trade", as the Japanese called it, was "regularized" by the introduction, within the territory controlled by Yen Ju-keng's Eastern Hopei Autonomous Government, of a brand-new tariff schedule, under which Japan's puppet, in return for manifold blessings conferred upon him by the Japanese overlords, reduced all customs duties on goods imported into Eastern Hopei to one quarter of the tariff rates in force in China.

General Sung Chih-yuan of the Hopei and Chahar Political Council, not to be outdone by his rival, in April

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1936 reduced the tariffs levied on goods entering the rest of Hopei and Chahar to one-eighth of the Chinese figures—an arrangement “legalized” by Japanese “recognition” in August. While the area affected by the smuggling epidemic extended to the province of Shantung, into which contraband filtered—with or without the connivance of the provincial authorities—in a steadily increasing stream.

If Japanese traders seized the opportunity afforded by these developments to import more of those goods of which the Chinese millions of North China stood in need, who could blame them? The suggestion that the reductions in tariff rates had been made at the instigation of Japan was labelled by Tokyo as a monstrous perversion of the truth. The fact that the avalanche of Japanese goods continued to find its way into all parts of China without contributing one halfpenny to the Chinese Maritime Customs revenues, on which the service of many important British and foreign loans are secured, involving a loss to the Central Government of £120,000 a month, was, declared Mr. Eiji Amau, Official Spokesman of the Japanese Foreign Office, purely a Chinese internal matter. And everyone knew that Japan never, under any circumstances, interfered in Chinese affairs!

And so the Japanese Government, throughout the spring and early summer of 1936, continued to stand complacently aside while North China became a thieves' kitchen, Yen Ju-keng and General Sung waxed fat at the expense of Nanking, and a stain spread over the Japanese flag which not all the waters of the Pacific will wash away.

The smuggling began with drugs—morphia and heroin brought across the Great Wall from Manchukuo. The Chinese Government, helpless to apprehend the smugglers or confiscate their contraband in view of the fact that their customs officials were disarmed, protested to Japan. Tokyo replied that they knew nothing about the matter, but would make inquiries.

They still knew nothing about it when the smugglers developed a new “line” by exporting specie—the withdrawal of which from China had been prohibited in order to protect the currency.

When the smugglers—discovering that the Tangku

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Truce had created conditions which made the import of contraband a "sheltered occupation"—began to dump whole shiploads of goods into North China, openly defying the customs officials to stop them, the Foreign Office spokesman at Tokyo sought refuge in the statement that such smuggling as might exist was due to excessive tariffs and Chinese laxity in administration!

Later, when the Chinese Government made further official protests against the new tariffs illegally introduced on Chinese soil by the so-called "autonomous" Governments, and pointed out that the Chinese customs officials were prevented from enforcing the tariff laws of the nation by the attitude of the Japanese officials on the spot, Mr. Amau shifted his ground, explaining to the foreign Pressmen at Tokyo that in the Japanese view, what was happening in North China was not smuggling at all, as that term was defined in Japanese and English dictionaries. What had happened was simply that in Eastern Hopei the *de facto* "autonomous" Government in control had established its own tariff rates, thus following the example of other parts of China such as Canton (at that date), Chinese Turkistan, and Outer Mongolia, none of which enforced the tariffs laid down by Nanking.

Referring to representations made to Japan by the British Government, and a statement made by the Secretary of State for Foreign Affairs in the House of Commons, Mr. Amau agreed that the Chinese customs officials had been disarmed, "not, however, because they were customs officials, but because the Tangku Truce forbade all Chinese to carry arms in the demilitarized zone".

The smugglers, having thus had their "special position" confirmed by the greatest Power in the East, proceeded to make hay while the Rising Sun continued to shine on them.

Not that they had done so badly up to that date. A statement issued by Sir Frederick Maze, Inspector-General of Chinese Maritime Customs, showed that the total arrivals of smuggled goods at Tientsin railway station from Manchukuo and Dairen during the nine months ending May 6, 1936, included 4235 tons of artificial silk yarn, 55,115 tons of white sugar, 392 tons of cigarette-paper, 27,000 packages of piece-goods, 13,000 cases of kerosene, 999 drums

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of petrol, and 16,386 miscellaneous packages. The duties normally payable on these goods, but not received by Nanking thanks to Mr. Yen Ju-keng and Tokyo, amounted to £1,875,000. In Tientsin the revenue collected by the Chinese customs officials—all other nations except Japan continuing to declare imports and pay the full duties levied by the Chinese Government—fell by 23 per cent in the course of four months.

That Japanese enterprise which has been noted in another chapter was in evidence in the case of this "special trade". At the beginning the smugglers concentrated on goods on which high duties were normally levied. Later, when imports of these reached a point at which sales, even at the smugglers' prices, became difficult, the range of "business" was extended, later consignments of goods including apples, soda, bicycles, tyres, alcohol, wire-netting, nails, tinned goods, and firearms.

The temptation to local Chinese merchants to participate in this lucrative "trade" was obviously great, and it is no matter for surprise that in some instances—after a swift computation of the profits accruing to Mr. Yen Ju-keng through his acumen in heading the "autonomy" movement, and to other Chinese leaders who had joined in the conspiracy to wreck the customs revenue (for it was nothing less)—they joined in the game. I was myself sorely tempted when, while in touch with the smugglers at Tientsin, I was offered half a hundred truckloads of cotton piece-goods at prices which promised 200 per cent profit. "Money for nothing" the Japanese middle-man called it. And so it was.

The main centres of the "trade" were the harbours of Peitaiho, Chinwangtao, Nantashih, and the beach in the vicinity of Liushouying, and the railway stations at Chinwangtao, Peitaiho, Changli, Liushouying, and Lwanchow. During the early days, before the smugglers had got into their stride, the contraband was carried as personal luggage, and the early-morning train to Tientsin from the north was generally known as the "smugglers' express". By April 1936, however, whole freight trains were necessary to transport the hundreds of tons of goods which poured freely past the disarmed and powerless Chinese customs officials.

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During the winter months, while the coast was ice-locked, most of the traffic was confined to the railways. When the seas were open, however, the smugglers landed the contraband cargoes direct from trawlers and steamers on to the beaches, where it was stacked by gangs of Chinese coolies working under the direction of armed Koreans. Each cache of goods was marked with a white flag bearing the name of the Japanese transportation company which had brought them, and so animated were the scenes in the spring of 1936 that the East Hopei "autonomous" Government obligingly sent police to maintain order and regulate the traffic !

From the beaches the goods were transported by coolies, pack-animals, or motor-lorries to the railway, where they were loaded on to freight-cars and despatched inland. On many days as much as 500 tons of cargo, or twelve freight-cars, left Chinwangtao station on the Peiping-Laioning railway alone.

The effects of this organized campaign of racketeering upon the Chinese customs revenues was as serious as, it is fair to say, the Japanese had hoped.

That revenue forms the basis not only of the service of China's foreign loans but also of the revenues at the disposal of the Central Government.

In 1934, despite a 20 per cent decrease in the total value of China's foreign trade, the customs revenue amounted to 334½ million Chinese dollars—a sum sufficient to provide a considerable amount for general governmental purposes after all loan and other obligations (amounting to 75½ million dollars) had been met. In that year roughly 30 per cent of the entire receipts of the National Treasury were derived from this source.

The loss to the Chinese Government arising out of the "special trade" rose progressively as the extent of the smuggling increased. The British Chamber of Commerce at Tientsin estimated that Yen Ju-keng's administration was—despite a "cut" in tariffs of one quarter the Chinese rates, and a further "special rebate" of 50 per cent allowed to Japanese goods—collecting in duties about £250,000 a month. Such are the fruits of autonomy *à la Nippon*.

The six northern ports, Kaiochow, Weihaiwei, Chefoo,

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Lungchow, Chinwangtao, and Tientsin are under normal conditions responsible for about one quarter of the total customs revenue of China—about £6,000,000 a year. Twenty-one ports from Chinwangtao in the north to Ningpo, south of the Yangtze Valley, account for 88 per cent of the total customs revenue of the country. The whole of this huge sum was placed in jeopardy by the existence of vast smuggling organizations, while the revenues of the six northern ports were withheld entirely from the Central Government, thereby creating a situation in which even the service of British loans secured on customs revenues was imperilled.

These facts were perfectly well known at Tokyo. Yet the British Government protested in vain against this further rape of China. To all communications from the British and United States Governments, Tokyo replied with the formula that the "special trade" really arose out of the spontaneous demand of the people of Hopei and Chahar for autonomy, and was nothing to do with Japan.

It may be asked why the Chinese authorities did not take stronger measures to stop what they described as "economic sanctions against China". The answer is to be found in the general position in North China, outlined in the previous chapter. With a Japanese garrison in possession of the area, Japanese aerodromes established throughout the demilitarized zone, and General Doihara prepared to take advantage of any opening afforded by "Chinese aggression" against its own northland, such as would clearly have arisen had Chiang Kai-shek sent troops across the Yellow River in defiance of the terms of the mysterious Tangku Truce, the Central Government knew too well that any attempt to suppress the smugglers by armed force would be seized upon as an "incident" justifying further penetration into China by the Japanese army. And China did not intend to give General Doihara any excuse to force upon them the formation of yet another demilitarized zone to protect the demilitarized zone.

On the other hand, to have negotiated with the Japanese instigators of the traffic on the subject would have meant virtual recognition of the results of Japanese aggression in North China and an acceptance of the tariffs introduced

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by Yin Ju-keng and General Sung. It is doubtful whether the Chinese Government would have survived the public outcry which would have followed such a step.

Bereft of any assistance from their Government, the Chinese customs administration did their best. The conditions under which they laboured are revealed by two incidents which occurred at the Great Wall in May 1935 during the early days of the smuggling epidemic.

On the 17th of that month, Chinese customs officials from Shanhaikwan (a city which has been in Japanese military occupation for four years) were patrolling in the vicinity of Chiaolouwan, when they noticed a Chinese on the Wall, throwing bags of silver dollars down to accomplices on the other side. The export of silver currency being forbidden, the man was pursued and captured ; but later he managed to escape and jump down from the Wall, inflicting serious injuries upon himself. Later he was declared by the Japanese to be a Manchukuoan subject.

A week later came the second incident. Information reached the customs officials that two Japanese subjects intended to throw packages of silver dollars across the Great Wall into Locheng. Proceeding to the spot indicated, customs men found two bundles of dollars on the opposite side of the Wall, where they had been dumped by the smugglers. Whereupon they recovered the silver dollars by means of an iron hook and prepared to arrest the smugglers. Before they could do so, however, one of them ran away and jumped from the Wall into the grounds of the Tien Shih Middle School, sustaining serious injuries.

As a result of these two incidents, the Japanese authorities presented strong demands to the customs officials, including the payment of 5000 dollars compensation to the injured men and the cessation of all customs patrols on the Great Wall. The alternative being the expulsion of all Chinese customs men from Shanhaikwan by *force majeure*, there was nothing to be done but submit.

Shortly after these events, the Chinese authorities, anxious to avoid any pretext for the expulsion of the customs preventive patrols from North China, voluntarily withdrew the revolvers hitherto issued to their men for self-defence. In taking this step, they anticipated the

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demands of the Japanese army by a few days only ; later that week the Japanese Military Mission at Shanhaikwan notified the local Commissioner of Customs that owing to the "special political conditions" prevailing, the carrying of revolvers by Chinese customs officials must cease.

As a result of this step, the 600 Koreans forming the main smuggling-gangs at Shanhaikwan and Chinwangtao became more daring than ever. All efforts to conceal the real nature of their activities were abandoned, and, armed with clubs, stones, and sticks, they did not hesitate to attack the defenceless customs men at the slightest suggestion of interference.

An incident which occurred at Shanhaikwan railway station on September 7, 1935, may be cited as typical of the conditions in which the Chinese customs officials strove to carry out their duties.

On that date a strong contingent of customs men were detailed to proceed to the railway station prior to the departure of the "smugglers' express" for Tientsin. There they found a large quantity of smuggled goods about to be loaded into the train, with a guard of some fifty Korean "toughs" watching over them.

Although outnumbered and unarmed, the Chinese customs officials attempted to seize the contraband on the platform, whereupon the Koreans attacked them with clubs and stones. For a time the unequal struggle continued, but in the end the customs men were forced to retreat, four guards and two officers having sustained severe injuries.

Following this attack upon the duly accredited customs officials of the Chinese Republic, further efforts were made to induce the Japanese military authorities to stop the illegal import of Japanese goods in the area. Their attitude was one of non-intervention "in China's affairs", but they gave an assurance that the prohibition against carrying revolvers would be imposed on smugglers and customs men alike ! Beyond this degree of aid both the Japanese army and the Japanese consular authorities refused to go, the latter maintaining that smuggling goods into China was not an offence under Japanese law, but a matter which the Chinese customs should deal with !

On September 9, 1935, the Commissioner of Customs

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at Chinwangtao was served by the Japanese military authorities with a demand that all machine-guns mounted on customs-preventive vessels patrolling the stretch of coast between Lutai and Chinwangtao should be removed. The Commissioner of Customs pointed out to the Japanese Commander that the disarming of these vessels would render them helpless to suppress smuggling from the sea ; but the Japanese persisted in the demand, and the Chinese officials were forced to comply.

Even this step did not satisfy the Japanese authorities ; a few days later a further demand was made that all customs vessels, whether armed or not, should be removed from within the three-mile limit of the demilitarized zone. By this step the Japanese authorities made smuggling from the sea safe for all—for although under Chinese law all vessels approaching within a twelve-mile limit of her coasts must heave to and submit to search if signalled by customs vessels, the Japanese naval authorities had previously refused to admit the right of the Chinese to board any vessel *outside* the three-mile limit.

Still the sorely harassed Chinese customs men vainly tried to stem the flow of contraband, risking broken heads for their pains.

On February 6, 1936, at Chinwangtao railway station, two customs men were beaten up when attempting to prevent twenty-five Koreans from loading drums of smuggled alcohol into the 11.50 a.m. train.

On February 18 at Shanhaikwan, following the seizure of smuggled alcohol, the owners forced their way into the customs shed and forcibly regained possession of the goods. Simultaneously five Japanese entered the customs station and attacked two of the guards, wounding one seriously. They then entered the station and beat up two Chinese servants of the railway. Japanese consular police were spectators of this scene, but made no attempt to interfere.

Early in March 1936 there occurred the development which jerked the Japanese authorities out of this attitude of benevolent neutrality. The East Hopei "autonomous" Government announced new tariff rates for Japanese goods entering its territory. From that date the Japanese not only insisted that the Chinese customs had no right to interfere

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with the import of goods upon which the duties levied by Yin Ju-keng's administration had been paid, but they gave active assistance to the employees of the "autonomous" Government in collecting the taxes due.

Thus on March 8, two Chinese and one Japanese customs officers appointed by the "autonomous" Government attempted unsuccessfully to collect the duty due on 1440 parcels of artificial silk loaded into the 6.20 a.m. train for Tientsin. The Korean smugglers, armed with clubs and numbering more than fifty, beat them off and escaped with the contraband. The following day there appeared at the railway station a force composed of four armed employees of the "autonomous" Government, two Japanese *gendarmes*, the Commandant of the Japanese *gendarmerie*, and two Japanese civilian officials. No goods on which the duty levied by the East Hopei "autonomous" Government was unpaid were loaded for the south that morning! Nor have they been since, owing to the continued presence of armed tax-collectors, supported by Japanese officials, at the railway stations of Hopei. Similarly, Japanese assistance has been given to the Hopei and Chahar Council in enforcing the payment of the "consumption tax" which has replaced the normal Chinese tariffs within the area governed by General Sung. From which it may be inferred that the smuggling of Japanese goods into China is "an internal matter in which Japan cannot interfere" only when the duties collected go into the coffers of Nanking.

In June 1936 there occurred an incident which illustrates the dangers of a situation created by the anti-Chinese activities of the Japanese militarists.

Two Japanese steamers loaded with contraband were fired on in Chinese territorial waters by customs cruisers, one south of Tientsin and the other off Tsingtao. Both ships were stopped and escorted into port, where one was found to have on board a large quantity of goods intended for smuggling, and the other—having already landed part of her cargo at a non-treaty port—a smaller quantity.

The Japanese reply to this "outrage" came swiftly! At Tangku, Japanese *gendarmes* invaded the customs office and beat up the Chinese officials. At Tsingtao, following a mass meeting of Japanese at which much heat was generated, a

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crowd of that nationality made preparations to raid the customs house and threatened to take the life of the foreign Commissioner in charge, as a protest against this violation of the "rights" of peaceful Japanese traders. Fortunately for the Commissioner—and maybe also for Japan—the Japanese police in this Chinese city intervened and prevented the spilling of blood. But violent local protests were made, presumably on the grounds that if peaceful smuggling is interfered with, the life of the Japanese in China would become impossible! And severe representations were made to the Chinese Government concerning this affront to the national honour of Nippon.

Faced with this outcry and, it may be assumed, not averse to stating their own side of the case, the Chinese authorities called upon Sir Frederick Maze, Inspector-General of Customs, to investigate what had occurred.

Sir Frederick reported that in the case of both steamers the normal procedure followed by all countries where the protection of its fiscal interests are involved was followed. Both vessels were signalled to stop without any result. Firing in the air failed to secure compliance with the order. Not until the customs cruisers resorted to firing into the stern of the still speeding vessels did the Japanese captains deign to obey the orders of the revenue cruisers.

In one of the steamers was a pole with a flag wrapped round it—a Japanese flag. While being examined, this dropped into the sea. Hence excited Japanese protests against "an insult to the Japanese flag". A further charge that the Chinese failed to give succour to the wounded was denied. Finally, Sir Frederick Maze observed that if the Japanese vessels were engaged in legitimate trade, and had nothing to conceal, it was difficult to understand why they should endeavour to evade examination.

This incident revealed how easily the Chinese Customs Service could have dealt with the smuggling epidemic had they not been disarmed under Japanese orders. It also shows the intolerable situation, for China, arising out of the whole North China position.

Viewed from Nanking, those two steamers were smuggling-craft, seeking to evade the payment of customs duties on the cargoes which they carried. Viewed from

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Tokyo, they were peaceful steamers carrying Japanese merchandise to the territory of the "autonomous" Government of Eastern Hopei, and paying the regular rates of duty levied on those classes of goods by that Government.

And both cannot be right.

Moreover, the presence of those Chinese revenue cruisers carrying guns with which to overawe vessels engaged in smuggling was, according to the Japanese, a direct breach of the Tangku Truce, under which the demilitarization of Northern China was imposed upon the Nanking Government, and China thus deprived of the means of enforcing any of its decrees north of the Yellow River.

Every dog has its day—and the day of the smugglers in North China was a riotous affair filled both with large profits and quick returns. Seldom in history has even Japanese trade flourished so luxuriantly as it did in that area during the twelve months from August 1935. But such joys cannot last—even in Yen Ju-keng's "State"—and in July 1936, Mr. Kuwashima, Director of the East Asia Bureau of the Foreign Office at Tokyo, was informing leading business men at Osaka that this "special trade" had reached saturation point, that even North China could not go on absorbing Japanese goods at the former rate, and that the trade might decline "unless China could be induced to appreciate its true nature and adopt such measures as may be appropriate".

"Appropriate measures", in the opinion of Mr. Kuwashima, meaning the acceptance by all China of sweeping reductions in tariffs. In that speech, Japan reveals her hand, and her intention to appropriate the lion's share of the Chinese market for herself should the opportunity arise of exerting pressure to that end on the Chinese Government and the Chinese people.

The Osaka business men replied by pointing out that, while the method and manner of their "special trade" with China was undoubtedly due to the high tariffs imposed by the Nanking Government, and those tariffs should be reduced, any attempt to check smuggling must be fiercely resisted, as such action would involve them in very serious losses!

Unhappily for the manufacturers of Osaka, whose

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factories are so modern and efficient, and whose hospitality to the foreign visitor I recall so well, time showed the truth of Mr. Kuwashima's prediction that saturation point had been reached in North China.

By May 1936, markets there were stuffed with unsold Japanese products, while the Chinese revenue officials in Tientsin, emboldened perhaps by the presence of British officials and British troops in the city, were taking stronger measures against contraband goods, even when guarded by Japanese and Korean subjects. At the same time the weakness arising out of disunity in China was shown by the fact that the importation of duty-less goods into the province of Shantung—controlled by a "model" Chinese Governor, and still under the nominal control of the Central Government—was continuing unchecked owing to the fear of Nanking that the despatch of officials to enforce respect for the Government tariff rates would precipitate that extension of Japanese control over Shantung which remains the ultimate aim of the Japanese militarists. Better to suffer Japanese smuggling in the province than to see it converted into Japanese cotton-fields; that is the view of Nanking.

More recently there have been indications that the Japanese Government has been disturbed by the protests made by Great Britain and other Powers, and is not impervious to charges of wholesale smuggling, out of which its nationals had made such huge profits.

The quantities of artificial silk, cigarette-paper, and sugar—the favourite commodities in the smugglers' price-lists—smuggled during June 1936 showed a large drop on previous months. While this was partly due to the fact that saturation point had been reached, it also indicated second thoughts at Tokyo over a chapter in Japan's economic history which has pained many sincere friends of that nation.

The desire to place this "special trade" on a footing which would, while preserving the advantages which have accrued to Japanese manufacturers, "regularize" the position, accounted for the "recognition" which Japan extended, in August 1936, to the "consumption tax" introduced by General Sung and the Hopei and Chahar Political Council to supersede the regular Chinese tariffs.

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Following that event, Japanese goods may "legally" be imported into the territory of the Hopei and Chahar Political Council upon payment of a tax amounting to one-eighth of the national tariff, such goods being immune from seizure by the Chinese national authorities and, of course, free to percolate to all parts of China.

Faced with this master-stroke of the Japanese diplomats (which incidentally strengthened General Sung's hand by robbing Yen Ju-keng's Government in Eastern Hopei of most of its revenue—that Government still charging one quarter of the official tariff-rates on goods imported into Eastern Hopei), British and American traders at Tientsin formulated a demand to be granted the same privileges for their imports as are enjoyed by the Japanese. As for the Chinese Maritime Customs Service, thus flagrantly robbed of a large percentage of its revenue through the Japanese-inspired actions of the "autonomous" Governments, the officials had to stand helpless while the "independent customs administration" made out the receipts for taxes paid on goods flowing into China—and put the money into the till of the obliging Sung Chih-yuan.

There for the moment the matter rests. Japan has withdrawn none of her claims to import goods in any quantity into North China upon payment of one-eighth of the regular tariffs which is all that General Sung's administration demands. Why should they? A large slice of North China is in their hands. After prolonged efforts the allegiance to the Central Government of the provinces forming that region has been either broken—or severely dented. And "to the conqueror the fruits" is an old axiom of warfare.

No guarantee is forthcoming that the racketeering, disguised now by the payment of the "consumption tax" to the Hopei and Chahar Political Council, will not continue indefinitely, while ravished China looks helplessly on, or consents to bankrupt herself by lowering her tariffs to the level which the Japanese graciously consent to pay. Unless, of course, Great Britain or some other Power intervenes decisively to protect the service of the foreign loans.

It is a *schlimm* business. But it pays.

CHAPTER XIII

CHIANG KAI-SHEK THINKS ALOUD

“**E**VEN God doesn't love the Japanese ; otherwise He wouldn't be always shaking their mountains to try and throw the little monkeys into the sea.”

So the Chinese students express contempt for their energetic and aggressive neighbours across the Yellow Sea.

Dr. Hu Shih, a noted Chinese scholar who has in the past laboured for a better understanding between the two nations, expresses the same opinion in more cultured accents. In an open letter to the Japanese people, published in the *Japan Review* towards the close of 1935, Dr. Hu declared that there is only hatred between China and Japan, and there can be no friendly (in the ordinary sense of the word) sentiment between them until the Japanese militarists change their habits. “The way of the Japanese militarists is the feudal lord's way of force,” stated Dr. Hu, “and yet they talk glibly about its being the way of paternalistic love of the good kings.”

Dr. Hu went on to predict that the Chinese people would eventually resist Japanese aggression, there being no other way out. The Kuomintang Government can never eradicate the hatred in the people's hearts. If Japan goes too far, he foresees a sudden spontaneous outburst against her, for if a “cornered beast will still fight”, how much more so will a nation when it sees at last that there is no other road ? Finally, Dr. Hu appealed to the Japanese to cease their encroachments on China while there is still time to save themselves, pointing out that “what is gained by force must be maintained by force”. With all of which a million young Chinese students agree, and proceed to demonstrate on the streets of Peiping, Nanking, Shanghai, and Canton for war—immediate and ruthless—against the enemy.

Will China fight ? Those who still think of the Chinese

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forces in terms of an army which carries umbrellas and goes home if it rains, are not the only ones who refuse to believe that modern China will ever hit back. Yet modern China has fought two campaigns against the magnificently equipped and disciplined troops of Nippon in the last five years.

The first was the defence of Chapei by the 19th Route Army in 1932, defence so stubborn and unexpected that it surprised the Japanese High Command. The Japanese Generals had informed the authorities of the International Settlement that their "punitive expedition" would complete its work in three days; three weeks later the Nipponese infantrymen and armoured cars were still meeting with strong resistance from the Chinese forces. Not until bombing-planes had reduced Chapei to smouldering ruins did the Japanese attain their objective.

The second campaign was that fought by General Sung Cheh-yuan along the Great Wall in 1933 in defence of North China. Part of Sung's forces put up a fight which fired the imagination of patriotic Cathay; when ammunition ran out, they fought Japanese riflemen and machine-guns with their sabres and bayonets.

Opinion in China concerning the wisdom of trying conclusions with the Japanese invaders on a large scale varies according to geography. Along the coast, and in some parts of the interior, the Southerners are vociferous in their demands for war—at once. Farther north, around Shanghai, the Chinese are still belligerent, but they have doubts concerning the practicability of such a step; they remember the destruction of Chapei by the Japanese air force in 1932, and they see, when taking an evening stroll, the steel-and-concrete barracks in which a Japanese force is securely, and permanently, established at Shanghai, ready for instant action.

The Northerners, who would have to bear the brunt of any fighting, and who live in an area which can be reached by Japanese troops in less than one day, are, with the exception of intellectuals and students, resigned to the inevitable. Or perhaps it would be more correct to say that they have adopted "wait and see" as their motto, remembering the famous dialogue of two poet-monks of the T'ang dynasty.

One Hanshan asked Shih-teh: "If one slanders me,

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insults me, sneers at me, despises me, injures me, hates me, and deceives me, what should I do?" And Shih-teh replied: "Only bear with him, yield to him, let him, avoid him, endure him, respect him, and ignore him. *And after a few years, you just look at him.*"¹

China cannot be compared with another country [stated a correspondent of *The Times*, discussing the failure of that nation to resist the encroachments of Japan]. Perhaps nine-tenths of the Chinese consider the local official the be-all and end-all of government. They think only in terms of the landscape they see and the land they cultivate, on which they raise their children and their crops. This simple peasant virtue of minding one's own business becomes a vice with the educated classes. In spite of a far wider vision they mind their family business too well for their country's good. A national question such as resistance to Japanese penetration is considered from a purely selfish standpoint. The official may lose the fruits of office; the merchant's business may suffer; the militarist will most surely lose his army, which he has collected, trained, and armed to assure himself of internal security. If his force is dissipated by foreign invasion he will become as powerless as other men. In their hearts all educated Chinese believe in resistance, but not at their own expense. So the farther a man is from the probable scene of conflict the more bellicose he is. The ties of property play their part. The more a man has to lose the less he favours resistance. It is the poor student and his underpaid professor who form the nucleus of anti-Japanese action.²

Thus the rickshaw man who carried me round Nanking, the hotel servants, the minor officials and unemployed graduates, all fiercely demanded resistance and more resistance "until the last Japanese had been swept into the sea". On the other hand, those belonging to the middle class—important in China as in England—when questioned, expressed themselves as favourable to military action "in theory" but doubtful concerning its wisdom, or even its necessity.

"Barbarians have conquered China before—Mongols, Manchus, and the rest," a local magistrate informed me. "And where are they today? Wait for two centuries, and the Japanese will have been absorbed in the same way. China could swallow the whole Japanese people without

¹ Quoted by Lin Yutang in *My Country and My People*. (Heinemann.)

² *The Times*, June 12, 1936.

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getting indigestion." The correct answer to which piece of political philosophy is that the Japanese have no intention of being swallowed—and that fatalism will not transform them into Chinese in two thousand years. It will, however, enable the energetic "empire-builders" of Nippon to dismember the Chinese jig-saw and remodel it to their own specification.

Wiser are the Chinese intellectuals who advocate the policy of opposing Japanese aggression by non-resistance; that is, by diplomacy. The Chinese are the world's greatest artists in word-spinning; once they can get the Japanese round a table, they have them beaten. The Japanese militarists know this; hence their impatience with the methods of diplomacy.

It is words by which we live and words which determine the victory in a political or legal struggle [states Lin Yutang with regard to this Chinese habit of "long-term resistance" to aggression]. Chinese civil wars are always preceded by a battle of words in the form of an exchange of telegrams. The public assiduously read this exchange of abusiveness or of polite recriminations or even brazen-faced lies, and decide which has the better literary style, while they appreciate fully that an ominous cloud is hanging over the horizon. This is called in Chinese "first politeness, and then weapons".¹

Contrasted with this delight in word-spinning, the Japanese, in their relations with China, have adopted the philosophy of Iyeyasu Tokygawa, which runs:

The right use of the sword is that it should subdue barbarians while lying gleaming in the scabbard. . . . Similarly the right use of military power is that it should conquer the enemy while concealed in the breast. To take the field with an army is to be wanting in real knowledge.

Japan rattles the sabre so effectively that it has rarely been necessary to keep it out of its scabbard for very long. By such methods that nation has overrun Manchuria, Jehol, Inner Mongolia, and Northern China, and founded a Continental Empire with less than 50,000 casualties. By such methods also it has been proved to the Chinese, beyond

¹ *My Country and My People*. (Heinemann.)

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a peradventure, that the Japanese are barbarians. If they weren't, they would not need to back up their arguments with armies.

There are not wanting Chinese who advocate replying to force with force. The academicians and students of the Chinese universities have constituted themselves the Keepers of China's Conscience, and have sought to redeem the Northern provinces from the maw of Japan by starting a civil war on their own account with the "supine" authorities at Nanking.

At vast demonstrations held at Peiping, Canton, Shanghai, and elsewhere, thousands of students denounced the seditious movement in Eastern Hopei. Student strikes were organized. At Shanghai over 4000 students marched to interview the mayor, demanding action against Japan. Mr. Wu Te-chen received them politely, listened to their demands, and promised to forward them to Peiping. The students dispersed—and there is no evidence that General Doihara's appetite suffered through the incident.

It was only natural with an "autonomous" Government within ten miles of Peiping that the students of that city should work themselves into a fine frenzy over the "national humiliation".

An unusual feature of the agitations organized by the students of Yenchin and Tsinghwa Universities was the effort to induce the police to join them in marching against the "seditious Government" without delay.

When the police, called out to disperse the demonstrators, prepared to fire, the students threw their arms round the necks of law and order and cried, "We are all Chinese—it is your country as well as ours. Help us to save it!"

The hard-boiled Peiping "cops" visibly softened at that moment; then they remembered that the most probable alternative to suppressing the demonstrations was a sudden discovery on the part of the Japanese army that the people of Peiping were panting for freedom, and the setting up of yet another puppet Government (not to mention the loss of their own jobs).

"True, too true," replied the police; "but this sort of thing will accomplish nothing. Please go back to your schools and learn history." So the students lost—and the military

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police who suppressed them kept their food and their jobs. Which in that part of China is termed a great victory for sense.

Despite suppression of demonstrations, however, the problem of student activity remains important in a country where, as in Germany before the National Socialist revolution, large numbers of educated young men are left without any stake in their country, and with small prospects of finding employment.

Their argument for intervention is, up to a point, sound. Japan, they say, needs the Chinese market and needs it quickly. She would therefore hardly be likely deliberately to ruin all opportunity of increasing her trade with China by waging open war, whatever steps China might take against her. Further, if China fights, Japan is too heavily committed in Manchuria and along the Mongol-Manchukuo borders to release any considerable forces to undertake a large campaign in Northern China. Up to date Japan has achieved her aims by threats, not by throwing any large body of troops into China. Counter the threats with a Chinese mobilization and it will be seen that Japan's "might" in Northern China is a mere façade consisting of a few thousand men and a handful of aeroplanes.

Supposing, however, that that calculation proves wrong, and Japan pours men into China to resist attack. What then? In that case, say the students, we admit that the Japanese forces could probably subdue any army which Nanking could put into the field today. But Japan could never conquer China; it is too vast, and its population would provide material for endless guerilla warfare which would drain Japan both of men and money. "Therefore, win or lose, let us fight!"

In support of this view, the cultural organizations at Peiping, under the leadership of Ma Hsiang-po, a well-known Chinese Catholic scholar, inaugurated in January 1936 the National Salvation Association. This association proceeded to issue a manifesto urging the Central Government to convene a "people's national salvation conference" to consider the following eight demands:

(1) To maintain the territorial and administrative integrity of China and repudiate all agreements in violation of this principle.

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(2) To oppose any special administrative organization in the country that is formed under foreign inspiration or instigation, no matter by what name such organization is known.

(3) To repudiate any attempt on the part of the authorities to secure a settlement of the North-Eastern (Manchurian) question or the North China question through negotiations upon local incidents.

(4) To dispatch a punitive expedition against the "bogus organizations" in East Hopei and the four North-Eastern provinces.

(5) To employ the entire military and financial resources of the nation to resist further foreign aggression.

(6) To punish all traitors and sequester their property.

(7) Immediate restoration of the rights of free speech and assembly.

(8) The people in the country to rise up and organize for the defence of their country.

Where stands Marshal Chiang Kai-shek in this conflict of opinion concerning the tactics which China should adopt towards the aggressor?

Chiang Kai-shek, according to officials who know his mind with whom I have talked, is all for resistance—as soon as he thinks he can win! "It is a fatal mistake for the Japanese to imagine that I will not fight under any circumstances," he has said. But the Chinese Generalissimo is too well versed in the philosophy of his country not to recollect that it is foolish to fight with the certainty of defeat.

His tactics may be summed up in a single sentence: "Give me a guarantee that my coastline will not be blockaded by the Japanese fleet, and my source of munitions and supplies thereby cut off, and I will fight tomorrow."

General G. K. Wang, Chief of Staff of the famous 19th Route Army, and one of the heroes of the defence of Chapei in 1932, has expressed the same opinion:

I can mobilize my army in a month at any time, and they will give an excellent account of themselves in any encounter with the Japanese. The only drawback is our lack of military supplies. We want more guns, ammunition, tanks, and small-arms. Given equality in equipment and numbers with Nippon, and our men will take on any force Japan can put in the field against us.

With past lessons in mind, the Nanking authorities have been patiently strengthening their military machine for ten years past. Today the Central Government possesses an

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army of 1,200,000 men directly under its control which is, despite the shortage of supplies, the nearest thing to a modern army that China has ever known. In addition there exist some 700,000 men organized in provincial armies which are only indirectly controlled from Nanking.

I have talked with some of the American instructors of Marshal Chiang Kai-shek's air force. They informed me that *under peace conditions* the Chinese airmen look like promising material. As yet, however, few of them have been tried out under active service conditions. Whether they will panic when in a tailspin, no man knows.

We could attack the Japanese tomorrow, and either rout them or force them to engage in a major campaign which would weaken their entire hold on the mainland [say Chiang Kai-shek's lieutenants]. But where would it end? In less than three months we should be short of shells, machine-guns, ammunition, and everything else—from field-dressings to overcoats. And the Japanese navy would see that we did not get them. In three months a Chinese army which has taken ten years to build would be routed, and the road to the heart of China would be open. Is there not something to be said for Marshal Chiang Kai-shek's policy of "keeping our powder dry"?

Lack of military supplies is not the only factor which the Central Government has to take into account. Seven successive campaigns against Chinese Communism have not succeeded in completely "liquidating" this danger to internal unity. Nanking knows that a serious campaign against the Japanese would, by draining "middle" and Southern China of troops, provide the ubiquitous "Red" forces with the opportunity they seek to reassert their sway over the provinces from which they have been expelled.

Again, while divided counsels no longer exist at Canton, and both Kwangtung and Kwangsi are now under the control of Nanking, the agreement between Nanking and the Kwangsi war lords depends for its success on the spirit in which it is carried out. If Chiang Kai-shek made war in the near future, he must make it with eyes wide open to the danger that, while his troops are at grips with Japan, new complications might arise in the South.

The Central Government believes that, before long, Japanese aggression will solve this problem for them by

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consolidating the measure of unity attained. In that sense he looks upon the Japanese penetration as a two-edged sword which will sooner or later smite down its authors. Meanwhile, the Chinese Republic is preparing for the day of reckoning.

"Give me another ten years of 'rearguard' fighting and my forces will be strong enough to take the offensive with some hope of winning," says Marshal Chiang Kai-shek. And those who know something of his military strategy believe that the statement is justified.

Military plans, now being rushed forward with all the resources at the command of the Government, provide for the development of Szechuan, the most remote province of China, as a new headquarters, impregnable alike from the land and the air. There Marshal Chiang Kai-shek is constructing a military academy, a new university, munition works, and railways. The most important post in the Government—that of Executive Secretary of the Executive Yuan—was given to a Szechuan man, evidence of the importance which the "garden of China" plays in the long-term plans of Nanking. The main training-grounds of the Chinese army today are Honan, Shensi, and Szechuan, where are concentrated the pick of the troops at Nanking's disposal.

There has been talk of removing the seat of the Government, in the event of war, farther inland, and organizing resistance to the Japanese on a line running through Hunan and Kiangsi; but such a plan would involve at least the temporary surrender of the coastal provinces which are the seat of such industrial power as China possesses, and her doorway to the world. If China ever makes a stand she is more likely to fight along the Yellow River, and to evacuate Shanghai only at the point of the bayonet.

The Japanese, for obvious reasons, are extremely interested in what is happening in Szechuan, where their Consulate at Chengtu, the capital, was closed in 1932, at a time when anti-Japanese feeling in China was running high, owing to the Manchurian "incident". Hence when, towards the end of August 1936, four Japanese were attacked at Chengtu in the middle of negotiations for the reopening of the Consulate, Tokyo seized upon the incident with avidity

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and used it as justification for the demand that Japanese consular officials should be allowed to re-enter Szechuan province "to protect Japanese interests".

Their desire to possess a "watch-tower" in the region marked out as the possible military centre of the Chinese Republic is natural; the Japanese do not like to feel that anything happens in Asia about which they are not well informed. Hence the hurried conferences at Tokyo following the Chengtu incident, the news that the "Japanese Government consider that the affair cannot be settled by the customary claims for apology, punishment, and compensation", and the hint that "relations with China must be such that a repetition of such outrages be avoided".¹ The fact that no evidence existed to support the view that the attack had any political significance and that two of the ringleaders concerned in the attack were executed immediately following arrest, was regarded by the poker-players of the Tokyo Government as of less importance than getting their Consul back to Chiang's new "military zone".

Wars in Asia, as elsewhere, are won by men—and munitions. How does China stand in regard to these essential raw materials of conflict?

The quality of her armed forces depends largely upon the regions from which the rank and file is recruited. The men of Shantung, Honan, Hunan, Kwangtung, and Kwangsi make first-rate fighting material, and, since national conscription is enforced, the military commanders have a vast reservoir of material from which to feed the ranks.

The military ideals of modern China have been strongly influenced by European examples. Her commanders have watched the rise of Germany, Italy, and Soviet Russia to military power, and learnt from them. Similarly, for her military instructors she has drawn on half the world. Americans, Italians, Germans, Czechs, Russians, and British experts put John Chinaman through his paces on the barrack-square.

Equipment, as has already been stated, is the main problem. Apart from a small *corps d'élite* which is equipped with modern weapons, China's soldiers are armed with a

¹ *The Times*, September 5, 1936.

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dozen different varieties of rifles, needing almost as many different brands of ammunition. Some of them have old Austrian bayonets, some Japanese. The machine-guns include old Maxims, Hotchkiss, German Pack, and Japanese air-cooled weapons. Some of these are of Chinese manufacture, but most of the models made in the provincial arsenals are out-of-date and no match to the equipment of the Japanese ranks. There exists no heavy artillery worth speaking of, but the results of visits paid to China by armaments-pedlars in the past is shown by the batteries of field- and mountain-guns manufactured by Krupp, Greyson, Arisaka, Schneider-Creusot, Hotchkiss, and other famous firms. The Chinese army also possesses a battery of trench-mortars to every regiment (this weapon is a favourite with them), some very good armoured trains, and an air arm said to number 1000 'planes.

Its weakest point is transport, there being few motor-lorries and fewer motor-ambulance units. When any portion of the force takes the field, its ammunition and supplies are transported in carts, or on animals, requisitioned from the local population.

I saw something of that army on parade. The men, dressed in padded blue-grey uniforms to keep out the northern cold, puttee leggings, felt shoes, and cloth caps with ear-flaps, were soldierly enough in appearance—even though performing the goose-step (beloved by the Chinese) in felt shoes seemed a trifle incongruous. The infantry regiments at that review had only a few automatic rifles; in a force of 10,000 men I counted only eight machine-guns, six field-pieces, and thirty-six Stokes mortars. Baggage convoy, hospital units, munition lorries, ambulances, and field-kitchens were conspicuous by their absence.

A pen-picture of those Chinese troops in action has been given by T'ang Leang-li. Writing of the defence of Chapei in 1932, he has said :

Wearing cotton-padded uniforms, carrying merely a scanty supply of biscuits, quenching their thirst only when water-boys could reach them during lulls in the fighting, Chinese soldiers were known to have been fighting in Kiangwan for seventy-two hours without relief. Heroes, they fought like demons in spite of heavy losses. Their spirit

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unbroken by hunger, thirst, or cold, they refused to stop resisting the better-equipped and well-rested Japanese reinforcements. Many who were lightly wounded returned to the front as soon as their wounds were dressed; others who were seriously wounded doggedly continued to fire their rifles until they could hold them no longer. They never complained of overwork, they never grumbled over the lack of comfort.¹

The Chinese navy has for years been a joke. Today that country has two navies—and they provide two distinct occasions for mirth in an over-serious world. The first is the Chinese navy which floats, steams, and has its being round the coasts of Cathay, and consists of four cruisers (over thirty-five years old), fifty-two gunboats, four destroyers, and eight torpedo-boats, plus six new gunboats built since 1927. The second is the Chinese navy which exists only on paper in some pigeon-hole in the Ministry of Marine at Nanking. This Chinese navy, as yet unbuilt, is more impressive. In fact, those grandiose plans of the Central Government provide for the construction of a complete armada of seventy-one vessels, including capital ships, armoured cruisers, destroyers, submarines, aircraft-carriers, mine-layers, and auxiliary craft. That new navy is to be constructed as soon as funds permit. The idea that the Minister of Marine at Tokyo will sit still, smiling benevolently, while the Minister of Marine at Nanking proceeds to build a few capital ships and aircraft-carriers, in order to “modernize China’s naval armaments”, is definitely the best joke of all.

The basis of all China’s plans to become a military Power capable of defending its territories and its honour is money. In regard to the “silver bullets” which finance wars, also, time is on the side of the Republic.

A wit in Peiping has described China’s fight to reform her currency as “Harvard *versus* Japan”. The description fits. All the Chinese concerned with the steps by which China has emerged from the dangerous currency crisis which came to a head in October 1934 were trained at Harvard University, while in no respect are Japan’s real intentions in China more deeply suspect than in her veiled

¹ *Reconstruction in China*, p. 363.

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opposition to a reform of the national currency—a reform which, be it noted, the puppet Government of Manchukuo carried out immediately that State was founded, with the willing assistance of the Japanese.

Tribute to the efforts made by the Chinese in this matter was paid by Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government, at the conclusion of his mission to the Far East in June 1936.

Silver has for many centuries been the currency of China, and the sudden and sharp rise in the value of silver during 1934 caused a similar rise in the exchange value of Chinese currency [stated Sir Frederick Leith-Ross]. Chinese products became too dear in relation to world prices, exports fell off, and silver had to be exported to meet the adverse balance of trade. This, in turn, caused a contraction of credit, and an acute deflationary crisis, prices began to fall, debts could not be met, and the banks became more and more "frozen" . . .

By October 1934 the situation had become so serious that the Chinese Government imposed a variable export tax on the export of silver, thereby divorcing the Shanghai dollar from the free silver standard. But this measure, while it mitigated the extreme effects of the rise in silver, did nothing to remedy the difficulties which that rise had already caused ; and when I reached Shanghai last September [1935], it was evident that further positive measures had to be evolved.

There were several possible alternatives, but before the British expert had completed his examination of the position, the Chinese Government had decided upon a bold step—they decided to adopt an inconvertible managed currency similar to that introduced in Great Britain in 1931.

I had no responsibility for this bold step [continues Sir Frederick Leith-Ross, in his report], but I have of course closely followed the situation, and I have no hesitation in saying that the action taken has been fully justified by the success which it has achieved. It was accepted throughout China without any serious difficulty. The notes of the Government banks have been steadily replacing the silver dollars in circulation. Their exchange value has been firmly maintained and the resources at the disposal of the Government banks for this purpose have substantially increased. . . . I think the Chinese Government are to be congratulated on the progress which their policy has achieved. Already much has been done to re-establish sound financial and economic conditions.

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This successful reform of the currency, of vital importance to China, has increased the prestige (and solved one of the major problems) of the Central Government. A monetary reform which enables a Shangtung peasant to buy more cloth, however, also enables Nanking to purchase more munitions, and Japan viewed this sign of China's continued vitality with mixed feelings. At a conference held at Tokyo Foreign Office, Mr. Arita, the Foreign Minister, did not trouble to conceal the concern with which any strengthening of China is viewed by the Japanese so long as that country refuses to climb into the Japanese band-wagon.

Summing up Japan's attitude to the efforts of China to set her house in order, Mr. Arita declared that political stabilization—and especially a "settlement" with Japan—was an indispensable preliminary to any effort to assist China, and took his stand upon the three famous "Principles" previously laid down by Mr. Hirota, as providing the basis for any *rapprochement* between the two countries—economic co-operation between China and Japan, co-operation in the suppression of Communism, and the *de facto* recognition of Manchukuo. To which the Chinese Government replied with three principles of their own: All dealings between the two countries to be conducted by the Governments and not by military commanders; recognition of equality between China and Japan, involving no further invasion of China; the question of Manchukuo not to be discussed at present.

China is not prepared to be a vassal of Japan [declared T'ang Leang-li, now a Minister Plenipotentiary of the Nanking Government]. She desires peace with her neighbour, but if she is forced to fight, she will make that resistance.

Let China be regarded as a State, and let the Chinese be looked upon as human beings. This will afford the means of a natural settlement.

Thus crisply Marshal Chiang Kai-shek summed up the issue, and, speaking before the plenary meeting of the Central Executive Committee of the Kuomintang on July 13, 1936, he uttered a solemn warning to the militarists who hope to convert China into a Japanese colony:

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If China should be coerced into signing any agreement recognizing the puppet State of Manchukuo, or if her territorial sovereignty should again be violated, the hour will have struck for final sacrifice [declared the Marshal]. In short, the hour when all political and diplomatic means would have failed to prevent the disaster which threatened the fundamental existence of the Chinese people.

All of which means that while any Japanese Government which ceased to support the aims of the Japanese army on the mainland would not last one hour, a Chinese Government which accepted the results of Japanese aggression would be blasted out of office within ten minutes.

The fact that Japan is the greatest civilizing force in Asia, and has introduced new standards of honesty and integrity into public activities in Manchukuo, is beside the point. The Chinese prefer the benevolent corruption of the typical Chinese official to the energetic efficiency of the average Japanese public servant. And no Chinese is prepared, in his heart, to live under an alien system—unless he is well paid to do so! The “settlement”, therefore, which National Salvationists, Chinese communists, Cantonese and student-patriots alike demand, for varying reasons, is war to the knife upon the aggressor. That is the settlement towards which Marshal Chiang Kai-shek, with a sounder grasp of realities than those who brand his caution as cowardice, is working systematically and with a thoroughness unknown in China for generations.

Heroics are usually more satisfying than discretion. In allowing the Japanese unbridled opportunity to overrun Chinese provinces while slowly building up a military machine which may in a few years' time (or earlier should complications arise between Russia and Japan) be powerful enough to administer a defeat upon the invaders, Chiang Kai-shek has chosen the more statesmanlike and the harder course.

Whether China will, within measurable time, achieve the degree of “preparedness” necessary to enable those military plans to be translated into actions is, however, problematical. It is equally difficult, at present, to visualize any *rapprochement* between the two nations.

Japan fears the deadweight of China's 480 millions, even

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while her army struts over the prostrate body of the once-Celestial Empire.

China, superbly satisfied with her traditions of culture, poetry, philosophy, and art, is united to the last man in her contempt for the "little brown monkeys" of Nippon. Patriotism in the Western sense is mainly to be found among the younger generation. The modern intellectuals and the students of China are not too proud to fight—even if it be only the police of Peiping. Their reactions to the policy of the Chinese Government were outlined in biting phrases by Lin Yutang, author of *My Country and My People*, in the course of an article written for the *China Critic* in January 1936—at a moment when two countries, both Member States of the League of Nations, were suffering from flagrant aggression. Those two countries were Abyssinia—and China.

To be or not to be an Abyssinian, there's the rub [wrote Lin Yutang]. Of course the climate is horrible and there are mosquitoes and malaria. Nevertheless, I am beginning to like the curly hair of the niggers now. When I see pictures of these niggers aiming their guns or even holding simple weapons of war I confess I have a profound admiration for these Abyssinians. I felt like kneeling on the ground and bowing to Emperor Haile Selassie when I saw him on the screen. For there is a man. And there is a nation of human beings with some sense of self-respect who are not experts in the art of kow-towing, and who, for all their backwardness of culture, gain my sincerest respect. I want to become a naturalized Abyssinian. I know that when I go to America or Europe as an Abyssinian I shall be less ashamed of my country.

The average Chinese peasant—who is also the average Chinese—however, remains unmoved by considerations of racial pride or patriotism. For him the Family and the Village constitute his world, and he has learnt to leave politics to others. He has been taught, by generations of experience, not to "meddle in public affairs", and indifference has become part of his mentality. Today, while the inhabitants of Northern China, who live under the shadow of the Japanese bombing-planes, are as ardently anti-Japanese as their compatriots of Canton, they keep their thoughts to themselves. My impression is that they

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have become resigned to the inevitability of Japanese domination, and probably nothing would surprise or disturb them more than the news that China was going to fight, and their little smallholdings were to be seared with trenches and ploughed with shells.

Despite Marshal Chiang Kai-shek's carefully laid plans for restoring the "lost provinces" to China, it seems improbable that the maps of Asia will have to be redrawn a second time. The end is more likely to be further Japanese penetration, the separation of all China north of the Yellow River from the control of the Central Government, and the establishment of a veiled protectorate over the rest of that country. Which is the only "China" for which General Doihara and the "diplomats" of the Japanese army have any use.

That dénouement, and the problems which it would raise for Great Britain and the United States, is now nearer than most observers imagine. Which is perhaps why the British Foreign Office, immersed in the European maelstrom, still occasionally turns its eyes to the Far Eastern scene, and addresses a few remarks couched in most diplomatic language to the Overlords of Asia whose Sun rises, each morning, over a dominion slightly more extensive—and more tightly held—than of the day before.

CHAPTER XIV

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THE United States of America has three major national interests in the Pacific arena: her island possessions in the Hawaiian and Philippine groups, defended by distant might rather than armaments on the spot; her traditional friendship with China, which she has fostered by missionaries and money, and defended by the principle of the "Open Door" and equal opportunity for all; and the Panama Canal, which is too far away from the nearest possible antagonist to become a serious liability under any circumstances that could arise.

Of these three interests, it is her friendship—based alike upon sentiment and trade—with China, and her ownership of the Philippine Islands, 1800 miles from Japan, which appear most likely to draw the peace-loving people of the United States into the Pacific imbroglio. Such an "incident" might well have arisen out of the events at Nanking in 1927, when the advancing Chinese Nationalist forces attacked Americans and Europeans in that city, and the United States gunboat *Noa* shelled Nanking. Moreover, the presence of United States gunboats in Chinese rivers, and a regiment of United States marines at Shanghai, are reminders that the United States is not yet prepared to allow her interests in that country to go by default.

It is one of the strange paradoxes of modern history that public opinion within the United States should be so completely opposed to any "entanglements" in Europe (even to the modest degree of co-operation implied by membership of the World Court at The Hague) while not only viewing complacently the existence of commitments thousands of miles away from the American Pacific coasts, but, further, enjoying the luxury of expressing opinions, through the mouths of its politicians, decidedly antagonistic

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to the one Asiatic Power which might conceivably threaten the position of the United States in that Ocean.

When the importance which individual Americans attach to the material aspects of civilization—represented by sanitation, roads, plumbing, and industrial development—is remembered, the fact that successive Administrations at Washington have seen fit to side with backward China against the one progressive nation in the Far Eastern arena becomes stranger still.

Much has been written concerning the possibility of war between Japan and the United States arising out of the present expansionist policy of the Japanese nation, but such an event is in the highest degree improbable, if only because the Japanese will have their hands full on the Asiatic Continent for a long time to come, while, on the other hand, it is unlikely that the United States would go to the length of war to enforce the "administrative and territorial integrity of China", or even to safeguard her trade interests in that country.

The United States presents diplomatic Notes to Tokyo. In the event of further Japanese aggression on the mainland, that nation might render aid to the Chinese Central Government. Loans, experts, even munitions, might be shipped to the Chinese Republic in an emergency. A boycott of Japanese goods, extending from Harlem to Hollywood, is not impossible. But that American war cemeteries will ever be found in China, or an Unknown Soldier borne home from that country to be honoured in the United States, no one with any knowledge of the sentiments of the United States people would seriously believe. Nor will Japan, unless she wishes to commit national *hari-kari*, interfere with United States interests or nationals on Chinese soil, despite the new Monroe Doctrine which Japanese militarists hunger for in Asia.

Viewed through Japanese spectacles, the United States has been "interfering" in the internal affairs of China for a generation. Years ago, by remitting her share of the Boxer Indemnity funds for use in educating Chinese students in American colleges and universities, she began to extend American influence, first spread by her missionaries, among the all-important younger generation in China. America

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has done more than any other foreign nation towards the creation of the Chinese air force. American experts advise the Nanking Government on the plans for the reconstruction and rehabilitation of Cathay. And signs are not wanting that, in the event of other Western Powers formulating any scheme for rendering concerted assistance to China, the United States would play her part.

That country has, indeed, been less inclined than other Powers to overlook or condone the disrespect for treaties shown by Japan when her army seized Manchuria and other parts of China, and more insistent even than London in demanding respect for the doctrine of the "Open Door", which (next to the Monroe Doctrine itself) is possibly America's most distinctive contribution to world politics.

Following Japan's conquest of Manchuria, Mr. Stimson, U.S. Secretary of State, in a letter to Senator Borah, then Chairman of the Foreign Relations Committee of the U.S. Senate, reaffirmed the terms of the Nine-Power Treaty in words which suggested a determination to enforce their observance.

You have asked my opinion whether, as has been sometimes suggested, present conditions in China have in any way indicated that the so-called Nine-Power Treaty has become inapplicable or ineffective, or rightly in need of modification, and, if so, what I consider should be the policy of this Government [stated Mr. Stimson].

This Treaty, as you of course know, forms the legal basis upon which now rests the "Open Door" policy towards China. That policy enunciated by John Hay in 1889 brought to an end the struggle among various Powers for so-called spheres of interest in China which was threatening the dismemberment of that empire. To accomplish this Mr. Hay invoked two principles :

(1) Equality of commercial opportunity among all nations in dealing with China, and (2) as necessary to that equality the preservation of China's territorial and administrative integrity.

From 1899 to 1919 the "Open Door" policy rested upon informal commitments arrived at between the various Powers, but

in the winter of 1921 to 1922, at a conference participated in by all of the principal Powers which had interests in the Pacific, the policy was crystallized into the so-called Nine-Power Treaty, which gave

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definition and precision to the principles upon which the policy rested.

In the first article of that treaty the contracting Powers (including Japan) agreed as follows :

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China.

(2) To provide the fullest and most unembarrassed opportunity for China to develop and maintain for herself an effective and stable Government.

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States and from countenancing action inimical to the security of such States.

This Treaty [continued Mr. Stimson] thus represents a carefully developed and matured international policy intended on the one hand to assure to all of the contracting parties their rights and interests in and with regard to China, and on the other hand to assure to the people of China the fullest opportunity to develop without molestation their sovereignty and independence.

Turning to the events in Manchuria, Mr. Stimson continued :

The recent events which have taken place in China, especially the hostilities which, having begun in Manchuria, have latterly extended to Shanghai, far from indicating the advisability of any modification of the treaties we are discussing [the Nine-Power Treaty and the Briand-Kellogg Pact outlawing war], have tended to bring home the vital importance of the faithful observance of the covenants therein to all the nations interested in the Far East. It is not necessary in that connection to inquire into the causes of the controversy or attempt to apportion the blame between the two nations which are unhappily involved, for, regardless of cause or responsibility, it is clear beyond a peradventure that a situation has developed which cannot under any circumstances be reconciled with the obligations of the covenants of these two treaties, and that if the treaties had been faithfully observed such a situation could not have arisen. The signatories of the Nine-Power Treaty and of the Briand-Kellogg Pact who are not parties to that conflict are not likely to see any reason for modifying the terms of these treaties.

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To them the real value of the faithful performance of the treaties has been brought sharply home by the perils and losses to which their nationals have been subjected at Shanghai.

That is the view of this Government. We see no reason for abandoning the enlightened principles which are embodied in these treaties. We believe that this situation would have been avoided had these covenants been faithfully observed, and no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nationals.

On January 7 last, upon the instruction of the President, this Government formally notified Japan and China that it would not recognize any situation, treaty, or agreement entered into by those Governments in violation of the covenants of these treaties which affected the rights of our Government or its citizens in China. If a similar decision should be reached and a similar position taken by the other Governments of the world a caveat will have been placed upon such action which we believe will effectively bar the legality of any title or right sought to be obtained by pressure or treaty violation and which, as has been shown by the history of the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived.

Shortly after this clear enunciation by the United States Government of its views on Japanese aggression in Manchuria, the Assembly of the League of Nations adopted a resolution one passage of which declared that it was "incumbent upon the Members of the League not to recognize any situation or arrangement which might be brought about by means contrary to the Covenant of the League".

Mr. Stimson was certainly justified in saying that "a situation has developed which cannot under any circumstances be reconciled with the obligations of the covenants of these two treaties". Japan had, in the opinion of almost the entire world, violated every one of the four clauses of the first article of the Nine-Power Treaty. She had grossly violated the territorial and administrative integrity of China by lopping off the three rich Eastern provinces and turning them into a Japanese colony. She had denied equal opportunity for all by first expelling Soviet Russia from her "zone of interest" in Northern Manchuria, and then filling the "Open Door" to that country with Japanese salesmen. She had announced bluntly that anyone who wished to reverse

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the decision gained in Manchuria would need troops to do it—and a whole lot of troops.

She said, further, that treaties were never intended to protect bandit Governors from just punishment for their misdeeds, and that in any case since the signing of the Nine-Power Treaty the chaos, Communism, and corruption in China has grown steadily worse, until "China" existed only as a sentimental figment of the imagination.

All of which, if containing the seeds of truth, in no way altered or disposed of the fact that had Japan been concerned only about her investments in Manchuria, and not bent upon securing control of fresh sources of supply for raw materials, new markets, and that frontier on the Amur River, she could have appealed to her fellow-signatories of the Nine-Power Treaty and either secured redress by peaceful means or at least greatly strengthened her moral position for subsequent direct action.

The remaining Treaty Powers were placed in a dilemma. Faced with a clear violation of two treaties, and the violent upsetting of the *status quo* in Eastern Asia, they could either leave the aggressor unpunished or fight. No middle course was open to them. It is significant that no single Power proposed armed intervention to deprive the Japanese of the loot. Significant because it revealed an undercurrent of feeling that the patience of any other Power, placed in the same position, might have been exhausted just as surely by the tactics pursued by the wily Chinese. Significant also for the reason that the failure of the Western Powers and the United States to follow up brave words with actions in the matter of Manchuria convinced not only China but also Japan that the latter could continue the process of expansion on the mainland indefinitely without serious risk, unless it be from Soviet Russia.

Instead of sending an expeditionary force to throw the Japanese out of Manchukuo, the United States Government contented itself with a gesture and the discovery of a new weapon against aggression. The gesture was the recognition of Soviet Russia for the first time since the Bolshevik revolution. The new weapon—"non-recognition" of the fruits of aggression—was blunt and useless, but it enabled the Great Powers to imagine they had done something.

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"Manchukuo" might be on the map. American traders might go there in search of orders. Two hundred and twenty-six American citizens (and four hundred and twenty-four British) may be domiciled in Manchukuo at this moment. American Consulates-General still function at Mukden and Harbin. But so far as Washington is concerned, Manchukuo does not exist. In the eyes of the United States, Great Britain, and every other country in the world except Salvador, Manchuria remains an integral part of the Chinese Republic.

The Japanese shrugged their shoulders and carried on. If this was the worst that could happen when their army got going, why stop at Manchuria? Was the policy of "Asia for the Asiatics" so perilous after all?

Japan believes that neither Great Britain nor the United States alone would be prepared to make the enormous sacrifices necessary—and face the risks—of armed conflict with the forces of Nippon in her own waters. And the whole policy followed by those nations in the recent years of crisis confirm that belief. Thus the fact emerges, at least to the satisfaction of Japan, that providing reasonable care is taken not to put a six-inch shell into the headquarters of the Hong Kong and Shanghai Bank at Hong Kong, or the United States Embassy at Peiping, she can do pretty much as she likes in China.

If the United States has sought to preserve the "Open Door" to China, and the territorial and administrative integrity of that country by nothing stronger than words, she possesses another interest in the Far East which, quite clearly, she is prepared to defend with the whole might of her armed forces. This is the Hawaiian Islands, a group of islands 2400 miles from the Californian coast, formed by the upheaval of a line of volcanoes direct from the ocean bed, and which constitute not only a winter paradise for tired American millionaires, but the advance defence line of the United States in the Pacific Ocean.

The thirty-odd years which have passed since the Stars and Stripes was first hoisted over Honolulu has seen a steady increase in the strategic importance of these Islands, situated at an ocean "cross-roads" midway between the mainland of America and the Far East. Their value as an

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outpost of the United States in the vital Pacific area was further enhanced by the advent of the aeroplane, and the institution, in December 1935, of the "Clipper" aerial service which today carries passengers and mails from Manila, in the Philippines, via Hawaii, to San Francisco, in less than six days. As long as the United States remains in possession of the "Territory of Hawaii", to give the Islands their official designation, a definite limit is set to the encroachments of Japanese influence in the Western Pacific.

This advanced base on the main road between Japan and the American Pacific coast, thanks to the foresight of American statesmen and the fact that the Hawaiian islanders not only foot the bill for their local government but even contribute to the strong defences maintained at Pearl Harbour and elsewhere in the group, has been secured by the United States at bargain rates. Signs are not wanting, however, that the echoes of the guns in Manchuria reached even distant Honolulu, and may end the happy era when the dollars which American visitors spend at the Royal Hawaiian Hotel and the shops of Honolulu are almost the only contribution necessary from the American treasure-chest to keep Hawaii happy—and secure.

The foremost peacetime question confronting the United States authorities in Hawaii concerns the preponderance of Japanese settlers who have, in the past, entered the Islands and there multiplied and flourished, to the discomfiture of those charged with the administration of the Territory, who rightly feel anxious concerning an American military outpost the civilian population of which is predominantly Oriental.

A recent census revealed that the population of the Islands is composed of 11 per cent American, British, and German, 16 per cent Chinese and Filipino, and 42 per cent Japanese, the balance being made up of Portuguese and Latins. The Hawaiians are gradually becoming extinct, and within a generation will exist as a separate race no more. At present their main function is to supply Hawaiian music for the entertainment of visitors, and to sing the "Song of the Islands" and "*Aloha Oe*" when the Matson, Dollar, and Nippon Yusen Kaisha liners arrive and leave Honolulu with their human cargoes.

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Even 42 per cent of Japanese citizens would not be a calamity, for the Japanese are hard workers and model settlers, were it not for the unfortunate fact that their fertility threatens to upset the balance of population entirely, and for the further fact that even those Nipponese who have been longest in Hawaii show few signs of becoming assimilated, but retain their Japanese patriotism, national spirit, Shinto-worship, and their reverence for the Emperor who reigns in Tokyo.

When Hawaii became territory of the United States there were 12,000 Japanese resident in the islands. Today there are nearly 150,000 persons of Japanese race living *inside* this American Gibraltar. They outnumber the Americans by 12 to 1. Their children attend American schools during the day-time, but go to Japanese language schools in the evening, where the importance of the Japanese Emperor is taught exactly as in Japan. During a recent visit I did not enter a single Japanese home in the Islands without finding there, hanging in a prominent position on the walls, a portrait of Emperor Hirohito, 124th Divinely descended ruler of the Japanese Empire.

It may be, of course, that despite appearances, all the Japanese in the Hawaiian Islands are loyal citizens of the United States, but one can scarcely blame the Commander of the Hawaiian Department of the U.S. Army if he refuses to accept that fact without further evidence.

The Japanese will soon be able to outvote the Americans, even when these combine with all the other racial groups. And they have a Japanese Party to express their point of view and to see that they vote in accordance with the interests of their nationals.

In due time they will nearly all be American citizens [Mr. Nicholas Roosevelt has stated].¹ But it does not follow that they will forget their devotion to Japan. The stupidity and intolerance of the Americans in treating the American-born, Americanized Japanese as foreigners has already played into the hands of the pro-Japanese. If, therefore, the Japanese Party in Hawaii wishes to take political control of the Islands within the law and framework of the American territorial Government, it would find its task comparatively easy. On the other hand, if ever a race crisis arises, the American Govern-

¹ *The Restless Pacific*, p. 101. (Scribners.)

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ment will be faced with a task more delicate than any with which the nations of Europe had to deal in handling powerful, unassimilable, politically hostile ethnic groups within their borders.

That the United States Government has not overlooked this danger is shown by two recent political developments designed to strengthen the hands of the local American administration.

The first of these was propounded by President Franklin Roosevelt in a message to Congress during the 1933 Session. Mr. Roosevelt, without previous preamble on the subject, and with a minimum of explanation, requested authority to appoint a mainland American as the new Governor of Hawaii, to control the destinies of the Islands during the coming four years. This was a break with tradition; previously all Governors had been selected from residents within the Territory. The proposed change, coming hard on the heels of Japan's expansion on the mainland of Asia, plainly intimated a reorientation of policy in regard to the defence and security of this outpost; but the President gave no hint of what was in his mind. The required authority was granted by the House of Representatives, but the Bill never secured the approval of the Senate, being shelved when that body adjourned. There, for the moment, the matter rests, but that it will be raised again in the near future no one conversant with the aims of those responsible for the defence of Hawaii can doubt.

Behind this modest proposal, if current opinion at Washington is to be believed, lay an ambitious project for the complete reorganization of the Government of the Territory which would place control in the hands of an American Commission on which both army and navy would be represented. Some such reform is obviously indicated if the Hawaiian Base is to be held by the United States forces on anything except sufferance. It would be the height of folly to concentrate the naval might of the United States in the Pacific, to throw economy to the winds in order to strengthen that Fleet up to the limits of its responsibilities within that troubled area, while leaving its main naval base in that ocean under the jurisdiction of a local administration in which Orientals control a majority of the votes.

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Mr. Swanson, U.S. Secretary for the Navy, is nothing if not realistic. Having stated frankly that the whole United States fleet would remain in the Pacific, he revealed the mind of the Administration even more clearly by personally visiting Hawaii on an American cruiser, and there making a speech, distinctly heard at Tokyo, in the course of which he declared that the United States would build warships up to the limits of the Washington and London treaties. The ratio agreed upon between Great Britain and the United States at the London Conference in December 1935 will not interfere with this plan to make Hawaii impregnable to attack by any existing fleet.

That speech delivered on the spot by the controller of the American navy, and the inspection of the Pearl Harbour Naval Base which Mr. Swanson carried out "with a view to its enlargement and improvement", was a plain intimation to Japan that the doors of the Hawaiian Paradise were locked, barred, and bolted, and would be defended by the whole might of the great Republic of the West.

To underline the fact that the Territory of Hawaii is "for ever American", a proposal, strongly supported, to admit Hawaii to the honour of statehood within the American Union was brought before the House of Representatives in March 1936.

In the course of discussions of the King Hawaiian statehood Bill before the Territories Sub-Committee of the House, Ernest Lundeen, representative for Minnesota, declared :

The Territory of Hawaii exceeds three States in size, has a larger population than four States, and paid federal treasury taxes in excess of that paid by sixteen States in 1934.

Hawaii fulfills every obligation of statehood and has consistently contributed a larger amount to the national Government than many States.

Hawaii has satisfied the pre-requisites to statehood which have been demanded of other territories before admission as States, as to area, population, resources, and ability and capacity of its people to maintain orderly government.

Mr. Lundeen further added that,

in the unlikely event of war with a foreign Power, Hawaii would be under military rule, whether a Territory or a State.

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Mr. Eugene Crowe of Indiana, Chairman of the Territories Sub-Committee, in opposing immediate action, said that time is working for statehood.

Because of strong opposition in the House I don't want to compromise Hawaii's fine future chances by premature action. All members of the Committee are sincere friends of Hawaii. The territory is well governed and has a sound economic foundation.

Action on this proposal was deferred indefinitely by a vote of three to two after Mr. Crowe had predicted eventual statehood for the Islands in the not-distant future.

While these political developments, avowedly designed to make the Hawaiian Islands as American as Nebraska, were taking place, Major-General Hugh A. Drum, Commander of the Hawaiian defences, was giving testimony before an Appropriations Sub-Committee of the House of Representatives at Washington concerning the strategic situation of the Islands and their defence requirements. In the course of General Drum's evidence it became clear that, whether or not the United States is hesitant to defend other interests in the Pacific with armed force, possession of the Hawaiian group of islands constitutes a "fundamental interest" which that country has no intention of surrendering in any circumstances short of utter defeat.

Referring first to the general strategic situation of the Hawaiian Islands, General Drum stated :

The position of the Islands is central and extends over 6000 square miles of land area scattered through 200,000 square miles of ocean in the mid-Pacific. They are at the apex of a great triangle whose base extends from Panama to Alaska. Midway Island lies 800 miles nearer to the Orient than it does to the Pacific coast. The triangle of Alaska, Panama, and Hawaii is one of the most vital national defence areas we have to consider. If you draw a line from the Orient to our Pacific coast and make that line go where you will, it is blocked or flanked by the Hawaiian Islands. It cannot avoid them. With the Philippine Islands still in our possession and our westernmost possession, the Hawaiian Islands are essential stepping-stones for our air as well as our water transport, and for our defence forces. A withdrawal from the Philippines, of course, would make the Hawaiians our most westerly possession, and the main guardian of our Pacific coast.

Consider for a moment the location of the Hawaiian group in

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relation to Alaska, Seattle, San Francisco, San Diego, and the Panama Canal. Alaska (Dutch Harbour) is 2300 miles; Seattle is 2675 miles, San Francisco is 2407 miles, San Diego is 2623 miles, and Panama is 4960 miles. Pierce the triangle, Alaska—Hawaii—Panama, by lines directly from Seattle and San Diego, and we find all these distances well within the cruising range of existing aeroplanes. An enemy endeavouring to reach our Pacific coast will require land bases from which to conduct such operations, and Hawaii would be the essential stepping-stone thereto. On the other hand our possession of this group furnishes bases for air and fleet operations which would flank any hostile advance.

Defence of these Islands in strength is economical [continued General Drum]. They defend from one area a coastline over 6000 miles in length. There is a concentration of effort. To provide equal security in any other manner would require a large number of fortified areas along the entire base of the triangle, to be maintained in immediate readiness at all times. The cost, including personnel necessary for the garrison, would be many times that necessary to insure the defences and operating forces of the Hawaiian Islands.

However, these proposals depend on the existence in Hawaii of adequate defences, maintained at all times in immediate readiness for action. With such forces an enemy will at least be delayed sufficiently to permit the manning of fixed defences and the mobilization and concentration of adequate field forces for the immediate protection of the Pacific coast.

General Drum summarized the primary defensive mission of the Hawaiian Islands as—to deny an enemy a base from which to operate against the Pacific coast, to ensure freedom of action for the United States Air Forces and Navy by securing and maintaining adequate air and naval bases, and to protect and provide subsistence for the population in emergency.

Mentioning that the population of the Islands was made up of 82,000 whites, 176,000 Orientals, and 118,000 other races, the General stated that

it is the experience of all nations, including the United States, that mixtures of widely dissimilar racial elements constitute a serious problem in time of emergency.

The history of our own Revolution, of the war of 1812, of the war between the States, and of the World War, shows that during an emergency armed forces are often necessary to insure protection to loyal citizens against disaffected and rebellious ones. Since this has been true in the past on the American mainland, where the racial

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make-up is far more homogeneous, we must be prepared to meet such a situation in the Hawaiian Islands, where the population is conglomerate. Hence the civilian population presents a problem of undetermined possibility. Some will be loyal, some neutral, and others hostile in any emergency.

Economy of forces as well as suitable natural facilities dictates that the main installation for our air and naval operations be located on Oahu, as is now the case [continued General Drum]. However, this island is restricted in many vital elements relating to modern implements of war. Certain of our defences on Oahu may be considered vulnerable to air attacks. The best way to protect them is to destroy a hostile air force before its bombardment 'planes can bomb these vital installations. This means the sinking or driving off of hostile aircraft-carriers before they can launch a serious attack, and preventing the enemy from establishing air bases on the other islands within range of Oahu. In either case timely information is essential in order that our defending aeroplanes may reach the enemy in time. Taking the average speed of warplanes at 200 miles an hour, it is essential that information of an enemy approach be at hand before he comes within 300 miles of Oahu. This cannot be accomplished with air forces located closer to Oahu than Hawaii and Kauai. To expect our fleet to remain in Hawaiian waters for the above purpose would destroy its mobility, freedom of action, and might even jeopardize the integrity of our mainland defences.

To put the Hawaiian Islands in a state of proper defensive preparedness, and to prevent any of the islands, with Oahu blockaded, from being utilized as an advance base for an attack upon the American coasts, General Drum advanced the conclusion that the local defences should be broadened to include the whole of the Hawaiian Archipelago.

The material and equipment needed to carry out that project the American Commander summarized as follows :

(a) We are seriously short of aeroplanes ; we have less than one-third of the number previously recommended, and of those on hand none can be considered modern and up-to-date. We have no long-range reconnaissance and bombardment aeroplanes of recent design. We have serious defects in our landing-fields which should be corrected without delay.

(b) We need anti-aircraft guns with longer range, more 50-calibre machine-guns, searchlights, and sound-locators.

(c) There is a need for a few more larger-calibre seacoast-defence guns, command and fire-control accessories, and seacoast searchlights.

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(d) Modern tanks and semi-automatic rifles are urgently needed for the infantry.

(e) Mountain artillery is required.

(f) A material increase in our reserve of ammunition is of first importance. This includes storage space.

(g) Additional roads and trails and an expansion of the present command and fire-control communication system.

(h) Additional ground forces for peace-time garrison of the Islands, including those stationed on Hawaii and Kauai.

(i) Additional motor transportation to complete organizations and insure mobility and supply of troops.

(j) Additional training facilities in the way of funds for more training ammunition and manœuvres.

Having proposed an increase in the peace-time garrison from 16,000 to 25,000 enlisted men, General Drum estimated the sum required to strengthen and complete the defences of the Hawaiian Islands, on the lines he had set out (and excluding requirements of material and equipment from the Army department) at 49 million dollars, spread over the next five years.

At the conclusion of his statement, General Drum replied to questions.

"I am in favour of keeping Oahu at all hazards," stated one member of the Sub-Committee, "but will you tell us what are the reasons for our keeping it, so that the people of the United States will understand it?"

"I think it is the greatest asset as a protection for our Pacific coast, including the Panama Canal, in time of war," replied the General. "It stands where the enemy must either capture or go by it before reaching our Pacific coast. And he can do neither if the Islands are well defended from the air as well as from the ground. An adequate air force in Hawaii, with the cruising range of the 'planes of today, can cover the whole water area of Alaska, Hawaii, and Panama, thereby ensuring our fleet great freedom of action and mobility."

"You wish 25,000 men on the Hawaiian Islands," stated another member. "Is it not a fact that the Hawaiian Islands are just in the proper place in the ocean for us? In other words, if we had asked God for an island where we wanted an island for our protection on the Pacific coast, we could not have planned it at a better place than right there?"

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"We could not have built it ourselves at a better place than right there," answered the General.

"With regard to Congress giving you, as the Commanding General out there, what you think is absolutely necessary to control, preserve, and protect the Hawaiian Islands, with Oahu as its stronghold," was another question—"if Congress gives you what you ask for, can you protect and preserve those Islands?"

"Yes," answered General Drum.

It is clear, therefore, that in the event of any conflict within the Pacific area, the Hawaiian Islands would become overnight the "sure shield" of the United States within that region—guarding and holding the "main road" to the western coast of the United States and the Western entrance to the Panama Canal. So long as the United States fleet—and the U.S. air force—possess in Pearl Harbour a fully equipped and adequately defended advance post 2400 miles from the mainland, any descent by enemy forces, whether by sea or air, upon the rich cities of California will remain impossible.

While peace lasts, however, Honolulu and Waikiki Beach think in terms of tourists rather than T.N.T. In its peace-time guise, surrounded by 2000 miles of empty ocean in every direction, the verdant green-clad slopes of the Hawaiian Islands with their marvellous winter climate, their surf-bathing beaches, and ultra-efficient American hotels, are a Paradise on earth.

Approached from the Far East, with its dirt, smells, and teeming millions of yellow men, the township of Honolulu, at which the largest liners can tie up with their bows overhanging the main street, is a standing tribute to the efficiency of the white race, even as Yokohama, farther east on the same route, is a tribute to Japanese civilization.

Honolulu, and the towns on the smaller islands around, possesses everything that tourists dream of finding and so rarely do. Warm seas all the year round. Perfect bathing. Sad Hawaiian music sung under the Pacific moon in the grounds of the Royal Hawaiian Hotel by members of a vanishing race. Superb scenery; few views equal those to be enjoyed from Mount Pali. Above all, *leis*. The Hawaiian habit of presenting distinguished visitors with garlands of

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flowers (and of selling similar garlands at top prices to less-important travellers) has been the subject of much good-natured humour. The equally old-established custom of Hawaiian singers to "sing away" departing ships with traditional songs has been condemned as a tourist stunt. True, the hotel-keepers of Honolulu and the itinerant vendors of garlands alike know their jobs, which is to convert every visitor into a publicity-agent for the Islands. Nevertheless, I defy any man or woman whose soul is not dead to see the waters between a ship and the Aloha Quay widening, while Hawaiians on the dock sing the "Song of the Islands", with the hot Pacific sun overhead and a background of the green hills of Oahu, without a lump in the throat. Despite strategic problems, Oahu remains "the island where romance was born"—and where it still lingers.

The United States, or at least the wealthy substratum of American society, evidently thinks the same concerning those Hawaiian singers and the flowers which they spread in the blue waters as their farewell, for so long as there is a bank with its doors still open in the United States, they flock to Honolulu in droves.

In 1936 there were more American millionaires and their womenfolk in the Royal Hawaiian Hotel at Honolulu than probably any one hotel has ever housed before in the course of a single year.

Some idea of the lure which Hawaii exercises over the mind of wealthy America may be gained by the fact that that hotel—one of the most luxurious on earth—had scarcely an empty room during the whole 1935-36 season, while 60,000 dollars were taken at its two bars in two months, and 1,100,000 dollars in the same period from the whole hotel. Clearly if sentiment is the deciding factor, the United States will fight and die to the last society hostess for the right to drink their hi-balls at the Royal Hawaiian Hotel under the American flag!

CHAPTER XV

FILIPINO COMEDY

WHILE the United States thus strengthens its hold on the Hawaiian Islands—America's "life-line" in the Pacific—the same nation is preparing to abandon its second group of island possessions in that ocean—the Philippines—in the sacred cause of "self-determination", and in the interests of the American owners of Cuban sugar plantations.

These islands, lying 634 miles from Hong Kong and 1800 from Yokohama, number 7000 in all, of which, however, only 402 are of over one square mile in extent. The main islands, eleven in number, are over 1000 square miles in area.

Since 1898, when the United States occupied the Philippines after the war with Spain, the Stars and Stripes has flown over Government House at Manila, and the 14,000,000 Filipinos and Spaniards who make up the population of this American possession have enjoyed a tariff-free market for the 1,200,000 tons of sugar and the mountains of other foodstuffs which they produce annually. In addition to economic security in a world swept by depressions, the Filipinos have enjoyed a stable currency, a local government which was 98 per cent Filipino, and military protection—gratis—which has for thirty years enabled the pampered inhabitants to sleep quietly at nights without gas-masks hanging on the bed-rails.

One would have imagined that, given these advantages, the Filipinos would return thanks to Providence daily for the miracle which caused the white man to carry their burdens. Actually they have agitated for "freedom" as vociferously and heartily as any Irishman who ever lived.

In January 1933, without very much warning, they

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awoke to discover that the United States had granted their prayers and presented them with their independence. That day the worst panic which the Philippine Islands has ever known swept across three million Filipino homes, and the future of the Islands was added to the long list of delicate problems awaiting solution in the Far East.

Whether the United States Senate, in over-riding the President's veto on the Philippine Independence Bill by sixty-six votes to twenty-six, and so passing the Bill into law, was actuated by altruistic motives, a desire to escape from a dangerous commitment thousands of miles away from the American mainland, or was simply obeying the behests of influential financial interests which stood to gain by the erection of a tariff-wall between Manila and New York, it remains true that abundant justification existed for the decision thus reached.

The Filipinos had agitated for independence for years. William Howard Taft, the first civilian Governor of the Islands following their acquisition by the U.S., had promised them that independence; and that promise was repeated in the preamble of the "Jones Act" under which the Philippine Government has functioned during the past generation.

That the Filipino people have a genuine and deep-seated desire for their political freedom is as evident as the promises which the United States has made that they should have it [states Robert S. Pickens, an American correspondent who is an authority on Pacific questions].¹ They are a dignified, race-conscious people to whom an imposed government is inherently distasteful. Since Taft's first promise, however, the mere word "independence" has been the magic formula, the open sesame, to public office in the Philippine Islands. Filipino lawyers, more often than not without practice, have stood before the public seeking preferment on the grounds that they, and they alone, were able to throw off the yoke of Yankee oppression. No other platform was necessary for a candidate. It has been the equivalent of President Roosevelt's "New Deal" for the oppressed people of the United States. Thirty years of American influence have made the Filipinos as "slogan-minded" as the people at home.

¹ *Storm Clouds Over Asia*. (Funk & Wagnalls, New York.)

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Mission after mission of Filipino leaders sailed from the Islands to Washington, there to petition the U.S. Congress for "freedom", while back in Manila, Manuel Quezon, leader of the Filipino nationalists, marshalled public opinion behind the missionaries. One such mission departed from the Islands in 1932, armed with the usual literature and arguments to prove to the sentimental and anti-Imperialist Americans that the Philippines were being ground down under the United States jackboot.

If the complete satisfaction of one's desires is a necessary adjunct to happiness, the members of that 1932 mission should have returned to Manila the happiest men on earth. For not only did Congress listen to their arguments. It accepted every word of them as gospel truth, introduced the now famous Hawes-Cutting-Hare Act granting independence to the Islands in three stages, to be completed within twelve years from 1933, and passed the Act into law despite the spirited opposition of the Hoover Administration. The day of freedom, for which two generations of Filipinos had worked and agitated and struggled and prayed, had dawned at last !

Up to this point events at Manila had borne the hallmarks of drama. But with the passing of the Philippine Independence Bill the Filipino demand for the right to rule themselves was seen to contain all the elements of true comedy.

To say that the politicians back in Manila were overjoyed with the success of their long-continued agitation against United States rule would be a slight overstatement. What actually happened when it became obvious that the U.S. Congress intended to take them at their word and cut the Islands adrift, was that the Filipinos were first speechless with amazement, and then, when they had recovered their voices, hastily explained that when they had asked for complete independence they had not meant complete independence, but only a measure of "Home Rule" within the comfortable tariff-walls and defences thoughtfully provided by the people of the United States. It was, however, too late to reverse the decision. Certain business interests in America had decided that there was money—for them—in Philippine independence. Other and more sentimental interests had

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made up their minds that the poor down-trodden Filipinos must be "freed" as an example to Imperialist Powers. And so, despite woe and lamentation at Manila, the grand gesture was made. The Philippines were presented with their independence, subject only to a ten-year period of intermediate government under an American High Commissioner with limited powers, and the maintenance of U.S. naval and military stations on the Islands after that time while an effort is being made to secure their international neutralization.

As a corollary to these political concessions, the Act provides for a slowly rising duty on Philippine-produced sugar during the "ten-year transition period", at the end of which time every ton of sugar grown in the Islands will be outside the tariff-wall, and forced to compete in the American market with duty-free Cuban supplies—an economic impossibility.

It was at this point in the proceedings that the comedy developed the rich hues of farce. Incredible as it sounds, the Filipinos had paid no attention to the economic disabilities which would follow in the footsteps of "freedom". Too late they realized that not only had they walked into a trap, but they had positively pleaded, begged, and howled for the trap to be set and baited. The first-fruits of independence for the Philippine Islands were that the sugar-growers (whose exports represented 63 per cent of the overseas trade of the Islands), the fruit-farmers, hemp-growers, and others who had waxed fat upon the American market were faced with utter ruin.

Meanwhile, certain Americans were—on their side of the site for the nice new tariff-fence—making the equally disconcerting discovery that one nation cannot continue to export goods to the tune of £9,000,000 a year to another nation while at the same time insisting upon those same buyers being reduced to the poverty-line. In other words, "independence" might look nice on paper, but in practice it meant that the lucrative American market for the Filipinos, and the lucrative Philippines market for American manufacturers and farmers, was in grave danger of being sunk without trace. In fact, the only people who could possibly benefit by America's gesture were the Cuban sugar

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interests, and maybe the United States if—and it is a big “if”—that nation could get rid of her military and naval commitments in the Islands before they caused her embarrassment.

The die being cast, and opinion in the United States being emphatic that the Philippines must be free even if it ruins every Filipino alive, conflicting theories regarding the future were heard in Manila among various schools of political thought. One section professed to believe that the Islands could revive their old connection with Spain, and find in that land a market which would recompense 14,000,000 Filipinos for the loss of the American market—a parlous hope. Another section, which at least could claim to be more in touch with economic realities, proposed that as soon as the United States had finally withdrawn from the Islands, they should petition the British Crown for permission to enter the Empire as a self-governing colony. A third section simply refused to believe that the United States would ever carry out its intention of allowing the Islands to slump back into Oriental poverty and ruin.

It is significant that, when the true extent of the economic calamity with which they were faced dawned upon the Islanders, every single political panacea likely to provide a way of escape was canvassed except one. Nobody in Manila, or Cebu, or any of the other towns in the Philippines, suggested that the Philippines should seek annexation by Japan! Perhaps because in many minds was the unspoken fear that, in spite of American efforts to secure the internationalism of the Islands, an American military and naval withdrawal from the islands would be the prelude for precisely that fate.

Speaking before the Institute of Pacific Relations at Banff in August 1933, Judge Manuel Carlos, leader of the Philippine delegation to the meeting of the Institute, stated :

The only persons who will gain by our independence are the Japanese. The United States will lose a lucrative export trade and considerable prestige in the Far East. When the Philippines' masses realize that the only effect of independence means less money in the pay-envelope, resentment against the United States will develop. I feel certain this resentment will spread to China, with further detrimental effects upon American trade.

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Morally [continued Judge Carlos] I feel that we must accept the United States offer of independence. We have asked for it so long that we cannot refuse it now. But I have grave fears of the future if the Philippines become a separate political entity.

Those fears are shared by most well-informed observers in the Far East. The demand for Filipino independence seems likely to prove a deathblow to Philippine prosperity, if nothing worse befalls the Islanders. Never before in history has any people agitated so persistently for a "reform" without taking the trouble to discover where the granting of their demands would land them.

Almost before the Hawes Bill was through the U.S. Senate Japanese officials at Tokyo were reported as saying that "in the event of trouble arising between the Chinese and Filipinos on the Islands, following evacuation by the armed forces of the United States, Japan would be obliged to intervene in order to protect the peace and stability of the Far East".

Later, it is true, Japanese voices were heard supporting the proposal that Great Britain, Japan, and the United States should conclude a treaty guaranteeing the independence of the Islands. But by then the seeds of doubt had sprouted—and the Filipinos, at least, had decided that a "scrap of paper" was a poor exchange for U.S. battleships and cruisers.

Well might President Hoover, in the closing words of his message to Congress vetoing the Independence Bill, proclaim that

neither our successor nor history will discharge us of responsibility for actions which diminish the liberty we seek to confer nor for dangers which we create for ourselves as consequences of our acts. This legislation puts both our people and the Philippine people, not on the road to liberty and safety which we desire, but on the path leading to new and enlarged dangers to liberty and freedom itself.

The voice of the people may or may not be the voice of God, but in the case of this Filipino comedy, the raucous voices of American sugar and farm interests seeking to shut the Philippines out from the U.S. market, on the one hand, and of addle-brained Filipino politicians who sought to have

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their cake and eat it too on the other, have, by "settling" the problem of the Philippines, created a new and grave question for which the United States cannot disclaim responsibility, much as that country may desire to do so before the ten years "probationary period" has elapsed.

What will the final act in the comedy reveal? At present, the fortifications dominating Manila Bay are among the strongest in the world, and maintained in a manner befitting their importance, with an ample garrison of men, munitions, and supplies. On the other hand, in order adequately to defend the Philippines against hostile attack, the American navy would require a naval base within easy steaming distance of Hawaii, for the Islands are situated at too great a distance from the American mainland to be defended without a naval base in the Pacific waters.

The United States possess an almost ideal site for such a base in the island of Guam, an American possession 1500 miles from Manila and within effective cruising distance of Hawaii and the Philippines alike. Guam might have been converted into a fortified base before today but for the foresight shown by the Japanese in extracting a veto on the construction of new naval bases in the Pacific as the price of her signature to the Nine-Power Treaty.

Whether the United States in the new situation opened up by the grant of independence to the Philippines, will now accept the risks involved in developing and maintaining a Pacific base as far from her shores as Guam is doubtful. A United States fleet stationed at Guam while "isolationism" flourishes at Washington would imply muddled thinking of a sort of which Americans rarely are guilty.

The Hawes Bill, as finally amended and passed, contained a clause for the eventual evacuation of the U.S. army bases from the Philippines, and it is no secret that the Navy Department have been pessimistic in recent years concerning the effort that would be necessary successfully to defend the Islands from attack, holding the view that the presence of American forces at Manila were a standing danger to the United States of complications with Japan.

On the other hand, if the United States withdraw, as is the present intention, a few years hence, would any neutralization of the Philippines by treaty, such as the

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Japanese delegation to the conference of the Institute of Pacific Relations at Yosemite, California, in 1936, proposed, protect Filipino independence during the years ahead? Did the Nine-Power Treaty or the Briand-Kellogg Pact outlawing war as an instrument of national policy save Manchuria? Did the fact that the International Settlement at Shanghai is neutral territory internationally policed prevent the Japanese from using it as a base from which to launch their attack upon Chapei in 1932? Did the Sino-Japanese Treaty of 1898 prevent the demilitarized zone south of Manchukuo, created by the Tangku Truce, from becoming a smugglers' paradise protected by Japanese bayonets? Can any Treaty, designed to preserve static interests in a region which is essentially dynamic and fluid, protect anything?

Nothing is more certain than that, when the time comes, Washington will have to choose between continued defence of the Philippines with American men and money, as advocated by the Filipino delegation to the Yosemite conference—a view supported by the British delegation—or abandoning them to their fate as “cast-offs” of the American Empire.

What that fate would be is not difficult to conjecture. Despite the persuasive arguments of the Filipino leader who explained to me with a wealth of enthusiasm how nice it would be for the British Empire to add the Philippines to the collection of “jewels” in the British Crown, we are unlikely to see the Union Jack flying over Manila. If Britain is not yet evacuating her advanced positions in the Pacific, neither is she anxious to add to them.

There is, on the other hand, one Power near at hand which could offer the Filipinos all they want—a market for their sugar and tropical products, cheap manufactured goods in abundance, adequate defence against attack, funds for development if need be, and, above all, a brand-new slogan for a slogan-minded populace. That slogan is “Asia for the Asiatics”.

In earlier times Japanese merchants acquired considerable influence in the affairs of the Islands. Assuming a withdrawal by the United States in 1946, Japan would once again become influential in those waters. And if Nippon

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appeared on the shores of the Philippines disguised as an economic benefactor, how long would the sugar-growers and farmers, reduced to desperate straits by the loss of the American market, hold out against the blandishments of Japanese buyers—forerunners of Japanese residents, Japanese capital, Japanese “interests”, and, finally, the inevitable “incident” and a tropical Manchukuo added to the possessions of the Overlord of Asia? It is not necessary to question the good faith of Japan in order to envisage such developments.

With that prospect coming clearly into view, how much would President Quezon and other Filipino politicians give to put the clock back? Desperately, today, they seek to convince themselves that the United States would “never permit it”, that America would defend her god-child against all comers. But in their hearts they are forced to admit that the signs all point to the United States falling back from this exposed “advance post” on to the Hawaiian Islands.

Apart from these territorial possessions, and her friendship with China, the remaining interest of the United States in the Pacific consists of her trade with, and investments in, that country.

Here emerges a curious anomaly. American friendship with China is founded, as has been said, mainly upon a sentimental streak in the American character. But American interest in Japan is founded on hard cash. Compared with investments in China of approximately £50,000,000 and exports to that country which in 1932 totalled about £11,000,000, the United States has invested £90,000,000 in Japan, while her exports to and imports from Nippon about balance at £27,000,000 a year each way. In other words, the business world of America has twice as much wealth at stake in Japan as in China, and nearly three times as much trade in the balance.

Analyse these trade figures more closely, however, and it will be seen that Japan has a greater inducement than the United States in maintaining undisturbed her trade relations with that Power. Thus Japan's trade with the United States amounts to over 30 per cent of her total imports and exports, while the United States imports from,

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and exports to, Japan represent only about 8 per cent of her total foreign trade.

Japan purchases from the United States more than half the raw cotton needed for her textile industry. Clearly, therefore, any "economic blockade" of Japan by America would seriously dislocate the leading industry of Nippon.

America is, on the other hand, Japan's best customer for raw silk and silk products, upon which millions of impoverished Japanese farmers rely for maintaining even the present inadequate standard of life. And *there is no alternative market in sight*. Hence the anxiety, akin to panic, which was occasioned at Tokyo by suggestions for an anti-Japanese boycott in America at the time of the Chapei fighting. Clearly, in the trade sphere, Japan and the United States complement each other, and any interruption of trading facilities would create grave problems for both nations.

While it is true that the problems would be more serious for Japan than for the colossus of the New World, America could not view an interruption in her export trade to Japan with equanimity. For one thing, while the prospects of increasing her trade with China are nebulous, to say the least, the possibilities of bigger business with Japan and her expanding empire are clearly perceived in New York—and in the cotton-fields of the South. Which fact says much for the objectivity which the United States administration has shown in the matter of Japan's Imperialist policies.

There exists, undoubtedly, a temperamental incompatibility between the two nations which more than accounts for the distinct anti-Japanese bias discernible at Washington since 1931, and which explains the reversal of the usual order of things by which "sentiment follows trade".

The United States and its people were genuinely and sincerely shocked when Japan, by invading and occupying Manchuria, tore up two treaties and upset—without so much as a "by your leave"—the *status quo* in the Far East. That nation is even more profoundly shocked by the prospects for the future opened up by the continued flouting of treaty obligations by Japan, by her withdrawal from any naval agreement designed to provide "defence for all with offence to none" and by the power of the extreme nationalists revealed by events in North China and the February

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rising at Tokyo. Even the friends of Japan in that country have found it difficult to justify her recent actions.

Japan cannot be controlled [Colonel House has declared]. It looks as if she intends to carry out any policy that appears to her leaders as of benefit to the country's larger purposes. Already several major moves have been made in this direction. One was the withdrawal from the League of Nations in order to have unrestricted freedom of action. Another was the notice that she had no intention of renewing the Washington Naval Treaty.

From my point of view both are mistaken. My sympathy is largely with the Japanese and what they seem to have in mind. But I think they are choosing the wrong time and the wrong methods of bringing it about. The world is in too much turmoil now. It needs composure to right itself. Let the constructive forces at work in almost every country succeed, and what Japan desires will come about easily and naturally.¹

The storm signals are flying over the Pacific precisely because the "haves" in that area have not adopted the suggestion made by Colonel House to provide justice for the "have nots". And the United States is overhauling her national gear—and her national responsibilities—before the tornado sweeps down those blue Pacific waters. In taking this course she is undoubtedly wise. In the Pacific Ocean, during the next fifty years (maybe during the next five) it is distance that will lend enchantment to the view.

When the United States has abandoned her "forward" position in the Philippines, and discovered that a million pounds sterling's worth of trade a month was no reason for sending an expeditionary force to the assistance of a hard-pressed China, she can afford to view the Pacific scene with composure. For neither Japan nor any other Power could attack and invade either the American mainland or the Hawaiian Islands. The area of the United States, its vast wealth and industrial power, its mighty population, all alike provide an effective warning against any contemplation of aggressive designs on the part of any Power.

The disease of "navalism", however, assumes strange forms. Neither China nor Soviet Russia, to mention Japan's two most powerful neighbours, possess any navy worthy

¹ *Liberty*, September 3, 1935.

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of the name in Eastern waters ; but that fact—and the impossibility, in addition to the improbability, of an attack by the United States fleet upon Japan—does not prevent Nipponese admirals from tearing their hair over the smallness of the fleet at their disposal. And for good reason. As long as Japan is not self-supporting either in food or raw materials she cannot be satisfied unless strong enough on the seas to defeat any attempt to interfere with the transport of her supplies from distant parts of the world. And to prevent a blockadé of the Japanese islands by any conceivable *combination* of naval Powers against her.

Japan is taking no chances. Nor, if she can help it, is the United States. It is a game in which America holds most of the aces in the pack, as the continent-wide boycott of Japanese goods at the time of the Manchurian invasion would have revealed had it been pursued with determination.

There is just one ace, however, which the poker-players at Washington do not hold. Having fought one war to grab the Philippines as a ringside seat at the next, they may discover that it is not so simple to clear out of the danger-zone with dignity and unimpaired prestige as they had thought.

In that case the security of American interests in the Pacific would be jeopardized by the necessity of defending an advance-post notoriously difficult to hold if challenged. And the final act of the Filipino comedy might reveal the politicians of Manila walking in procession to the Cathedral to return thanks for the extinction of Filipino independence and the placing of the Islands under United States military rule.

CHAPTER XVI

THE EVER-RISING SUN

THE Japanese nation will never, under any circumstances, admit that the actions of their armies in Manchuria and North China were not abundantly justified. To them the attitude of the League of Nations was mean and inexplicable, and any suggestion of "war guilt" infuriates them as much as it does the present rulers of Germany.

It is important that Great Britain should try to understand the reasons behind Japan's view in this matter, because it is the opinion held—and sincerely held—by ninety millions of people.

While the Japanese feel pride in the fact that their nation is now a great Continental Power, they believe that the events leading up to that dramatic transformation were forced upon them by

(a) Economic necessity, including over-population and poverty of natural resources; and

(b) Fear concerning the security of the homeland, and of Japan's extensive interests on the mainland; fear arising from the menacing combination of Chinese misgovernment, truculence, and anti-Japanese policy which, together with the spread of Communism in China and the increase in Soviet military and political strength in Asia, directly threatened Japanese survival.

A further cause which contributed to the upsetting of the existing order in Asia was the growing influence of the Japanese military and naval machine following the "diplomatic defeats" at Washington and London Naval Conferences, when civilian delegates accepted an inferior status for the Japanese navy as compared with the sea forces of Great Britain and the United States, and thus, in the eyes

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of the General Staff, infringed the Imperial right of Supreme Command.

Japan withdrew from the League of Nations because that nation believed its machinery was "too rigid", and had a suspicion that the League, so far as Asia was concerned, consisted of an alliance of the "haves" against the "have nots"—which meant Japan. With the outcry which followed Japanese action in defence of her treaty rights in Manchuria, that suspicion became a certainty. Similarly the Japanese withdrawal from the London Naval Conference of 1936 became unavoidable, not because "everyone was out of step except Japan", but because the "maintenance of the *status quo* which the strong Powers seem to want at any cost is intolerable to States which are oppressed or require freer expression of national vitality".

In making that statement, Admiral Kanji Kato, a former Commander-in-Chief of the Japanese fleet, added that "all the trouble is caused by the blindness of the *status quo* Powers to the legitimate claims of the revisionists".¹

It is this "life or death" view of the situation as it existed before 1931 which, in the eyes of Tokyo, explains all things and made the naval ration question more vital to Japan than to any other Power.

According to Japan, the desire of Britain and the United States to retain the 5.5.3 ratio was born of excessive ambition in her special back yard—Eastern Asia. In every sense, says Japan, that desire is selfish. To the Japanese, however, naval equality had nothing to do with "armament races" or "threats" to other naval Powers; it involved the very existence of the Empire.

The spirit of the Yamato race, tempered during the 3000 years since the founding of the Empire, had the fervour and vitality to defend its righteous cause in defiance of all the science, skill, and wealth that the West can muster. . . . If a nation is provided with the armaments necessary for security, however, and backs its policies with unanimity and high morale, it will be relatively secure from war. It will be respected, and this respect will allow peaceful adjustment of most issues. This is the philosophy underlying Japan's rejection of the ratio principle and her advocacy of non-menace and non-aggression.²

¹ "Fundamentals of Disarmament" in *Contemporary Japan*, March 1936

² *Contemporary Japan*, March 1936, pp. 394-5.

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Similarly, Japan regards the Nine-Power Treaty and the Briand-Kellogg Pact against war as further strands in the rope with which the Western Powers sought to bind that nation and prevent her from attaining her "national destiny".

Having thus kicked over the traces, Japan's isolation is complete. She had voluntarily withdrawn from any participation in the machinery created to maintain international peace.

That Tokyo was not quite happy about the situation which thus arose is revealed by suggestions since made for re-establishing peace machinery in the Far East on lines acceptable to Japan. Her stipulations are that such peace machinery must be intended for the Far East, and include within its scope not only Britain and Japan, but Soviet Russia and the United States as well, with China playing a passive but consenting role as the "sick man of Asia" over whose enormous territories the remaining Powers must enforce peace and civilization. Other Powers, such as France and Holland, would, of course, participate, but—and this is the crux of the matter as seen at Tokyo—an honest assessment of the situation in Asia would inevitably place the mantle of leadership in the new "League" on the shoulders of Japan, the greatest Power in that area.

Such a combination of Powers would, in any case, possess only consultative rights. In Japan's view the circumstances of the Far East today preclude any highly systematized structure or the arming of any Asiatic "League" with arbitrary powers for the enforcement of "sanctions" or the making of war. The main contribution of such peace machinery would lie in the provision that, in the event of disputes arising between any two signatories concerning events in China or anywhere else on the Asiatic mainland, a conference of the two Powers concerned would be called, in which the remaining Powers would participate as neutrals.

While it is obvious that some sort of machinery will have to be devised if the dangers now threatening in Asia are to be resolved by peaceful methods, it will be observed that the machinery proposed by Japan would relegate the Republic of China to the position of a vassal State, and be limited to consultation between the "trustees"

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who watched over, or squabbled over, the remains of the once great Chinese Empire—a conception concerning the future status of China *vis-à-vis* Japan which neither Britain nor the United States is likely to find palatable.

Failing such a solution, Japan would prefer to re-enter the international family of nations as the ally of Britain by a revival of the Anglo-Japanese Treaty of 1902, the first two clauses of which read :

If either Great Britain or Japan, in the defence of their respective interests, should become involved in war with another Power, the other high contracting party will maintain its strict neutrality and use its efforts to prevent other Powers from joining in hostilities against its allies.

If in the above event any other Power or Powers should join in hostilities against their ally, the other high contracting party will come to its assistance and will conduct the war in common and make peace in mutual agreement with it. . . .

Britain and Japan, as the two great sea Powers of East and West, understand each other, says Tokyo. Their fundamental interests do not clash anywhere. Sign on the dotted line and the peace of the Far East would be assured for generations.

The argument is understandable, but what of the *status quo* in the Pacific ? What of the aims of Japan, the world's newest Continental Power, which can be achieved only at the expense of China, and possibly Soviet Russia ? Diplomacy has made some strange bedfellows in its time, but none more strange than would be a "life and death" alliance between the greatest of the "haves" and the most insistent, next to Germany, of the "have nots".

For in essence the actions of Japan which have transformed the Pacific arena are excused by the plea of "national necessity". And it is indeed churlish of other nations, gorged with possessions, to dismiss that argument with a single expletive.

Japan wants a Victorian Empire. Whether it is compounded of Crown Colonies or puppet States does not matter. Whether it pays or not does not matter. What China, the chief victim of that ideal, thinks about it does not matter.

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Japan also wants reserves of essential raw materials under her own control, to buy which no foreign exchange will be needed. She wants harbours and aerodromes which will ensure that any conflict with Russia will be fought on, and over, the mainland and not above Tokyo or Kobe. She wants a position so predominant in the Far East that the steadily increasing might of Soviet Russia will never overshadow her in that region. And to secure and consolidate these aims she wants above everything else the prestige and power which an Empire on the Victorian model would give her—with a Japanese Monroe Doctrine for Asia thrown in.

It is understandable that Japan should wish to be the dominating influence in the Far East, and she has the right to demand an outlet for the crowded population within her restricted borders [wrote Colonel E. M. House, famous United States statesman]. There are still vast waste spaces throughout the earth. Why not allow the Japanese to make them productive and add to the wealth and happiness of mankind? Heretofore such things have been accomplished by war, but we want no more wars of aggression. Why not see whether the problem cannot be worked out to satisfy the Japanese without antagonizing the other great Powers?¹

The fact that Mr. Grover Clark, after exhaustive research, has arrived at the conclusion that as regards the possession of colonies "the three main claims as to their value . . . especially for the past half-century, are essentially fallacious—namely, as outlets for population, as affording exceptional opportunities for trade, and the advantage of raw materials in time of war and peace"² leaves the Japanese cold. That nation appreciates the part which natural resources play in the development of industrial and military power, and you cannot tell Tokyo anything about trade opportunities which it does not know.

Japan's outlook on the all-important question of the motives behind the "New Deal" which that nation has forced upon the Powers has been set out by Prince Konoe.

Under the existing world order [he stated] the apportionment of such essential resources has been made by powerful nations with little regard for the urgent needs and capabilities of less fortunate

¹ *Liberty*, September 5, 1935.

² *A Place in the Sun*, by Grover Clark. (Macmillan Company.)

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nations or peoples. The most notable example of our modern times is the adjustment which followed the World War. The cumulative result of such maladjustment extending over centuries is a recurrent disturbance of international relations. The forcible maintenance of the *status quo* in the distribution of land and resources must inevitably remain a source of international friction and conflict.

It is not wise to fill old bottles with new wine. Metaphorically new wines have been and still are fomenting in our modern world in the shape of once backward and dormant nations now conscious of their innate abilities and demanding a due share in the benefits which they think have been monopolized by the Powers who happened to appear before them upon the stage of world politics. Cram them down in the old bottle of the *status quo* and the bottle may burst.¹

Thus at every turn the *status quo* appears as the bogey-man of Asia. I write "bogey-man" advisedly, because in fact the pre-1931 distribution of power in the Pacific no longer exists. In its place a new Continental Power marshals its forces and proceeds with deliberate intent and careful planning to prepare for each successive step along the road leading to its national destiny. Manchuria, Jehol, Hopei, Chahar, Inner Mongolia—these form the stepping-stones to Japanese domination on the mainland. The summer of 1936 brought indications of Japanese moves in South China. An increasing number of "delegations" and visitors from Formosa and Tokyo were active in Fukien, and in the Chinese islands off the coast of that province, about the time when Chiang Kai-shek's diplomatic victory over the semi-autonomous "South" temporarily "queered the pitch" for the Japanese Navy, which was suspected of wishing to stage a "side-show" in that region.

Meanwhile, on August 10, 1936, two regiments of the Japanese army arrived at Changpei, in Chahar, hitherto not brought directly within the orbit of the invaders. Taking a leaf out of Moscow's book, Inner Mongolia was closed to "visitors", including both foreigners and Japanese civilians, and clashes occurred between Chinese and Japanese on the eastern border of Suiyuan province, which General Doihara's men announced they would incorporate in the Japanese-controlled area of North China before the end of the year.

¹ *Liberty*, December 4, 1935.

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Thus the tide of aggression flows on. The flag carried at the head of these armies bears a sun. The Japanese declare it is an ever-rising sun. Others, mindful of the grave weaknesses of Japan's national position, declare equally stoutly that Japan's sun is in danger of setting. Which is right?

That the Japanese, for all the exuberances of their Generals, recognize the delicacy of the situation created by their own actions is revealed by the replies made to foreign protests, and by the care with which they have sought to avert a clash with any major Western Power on the mainland. Only in the case of Soviet Russia does the Japanese High Command reveal a blind spot. And Russia, according to the rabid anti-communists of Nippon, is neither a Western nor a major Power.

The question whether Japan's sun is rising or setting cannot, however, be settled solely by reference to external events. History will probably record that in 1936 that country, reborn as a Continental Power, was only half-way through a period of national transition. The second half, involving the transformation of Japan into a totalitarian State in which all power, economic and financial as well as military, will be vested in the Emperor, has still to be safely negotiated. If the armed forces "fumble the ball", Japan's reign as the Overlord of Asia may be dramatically cut short.

This return of political, economic, and financial power to the Emperor, called by the militarists the "Showa Restoration", will in all probability be attempted in the near future.¹

It is the desire of the armed forces, which have already destroyed party government in Japan, and seen to it that civilian Ministers are but the mouthpieces of their all-pervading power, to utilize the unique position occupied by the Emperor in the life of the country to "consolidate the national front" by establishing an internal dictatorship—a risky experiment when Japan's dependence upon external trade and raw materials is recalled. Nevertheless, such is the prestige of the Japanese forces that it is extremely doubtful whether, once a new course is set, any serious opposition will appear. Their "bull points" in advocating a

¹ See Chapter VI.

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sweeping change in the constitution are that under parliamentary rule Japan was "humbled" at successive international conferences, and that while an orthodox capitalist system remains the country experiences increasing difficulty in finding the huge and increasing sums necessary to finance the army's schemes.

No matter whether Japan likes it or not, the Japanese army and navy expenditures must be increased [stated the *Nihon Hyoron* for May 1936]. The only question is as to how much. . . . The writer considers that the army and navy need a billion yen each for the next six or seven years. During the recent five years Service expenditures have been forced to be increased by 150 per cent, and in the next six or seven years 100 per cent more should be required. This would bring such expenditures to 14 per cent of natural income as against the 17 per cent of the Soviets.

Not only the military expenses, but administrative and industrial expenses are bound to increase, so that the budget figure can be expected to advance to about four billion yen. The national production, too, may increase automatically in correspondence, but even then the production will not be able to meet the expenditures, because this will mean the lowering of the national standard of living. The question is how Japan can meet the increasing military and other State expenditures without causing the national standard of living to go down.

The answer to that question, according to the advocates of the Showa Restoration movement, is State Socialism—the ownership of all means of production, exchange, and control by the Emperor, represented by the armed forces.

The alternative, which is for Japan to get into reverse gear, is ruled out by prevailing opinion within the army, and by the essential needs of Japan, which have been discussed in these pages. Wisely or unwisely, that country is committed to a future as a great Continental Power. Japan turned back for the last time in 1915, when certain of the notorious Twenty-One Demands on China were withdrawn under pressure from the Western nations. All of which will make the next five years pregnant with history for the Far East.

During those years the Japanese nationalists plan the establishment of a virtual "protectorate" over China,

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placing the natural resources of that country and its trade market under the direct control of Tokyo. Whether or not Japan recognizes and respects British and American trade interests in Eastern Asia, the balance of economic power will swing decisively towards Japan, either by a *rapprochement* between Tokyo and Nanking—or by the fomenting of fresh “autonomy” movements in regions of that country at present controlled by the Central Government. If Soviet Russia interferes, Japan will fight.

Is this determination to dominate East Asia a good thing for China, and for the world? And is it a good thing for Japan?

Although the Chinese Republic shows signs of restoring some sort of order within its boundaries, and is making praiseworthy efforts to that end, the state of the Chinese millions could not be more wretched under Japanese-inspired rule, and would probably be better. Japan is more Westernized than the West. Her industries and administrators are ultra-efficient, her people ultra-patriotic. Her army, despite its recent sins of aggression, is, as has been said, the most truly idealistic force existing in Asia. Those inclined to doubt the strict standards of integrity and honour which permeate its ranks should remember the story of Colonel Kazuyoshi Goto, of the 3rd Division.

Colonel Goto commanded an Engineers Battalion which was recently ordered back to Japan after two years' service in Manchuria. When the Battalion's accounts were settled it was discovered that a junior officer had embezzled some of the regimental funds. Faced with this dishonouring stain upon the regiment which he commanded, Colonel Goto shot himself at Dairen as his troops embarked for the homeland, leaving behind a letter in which he explained that “through my lack of virtue and inefficiency in supervision the glorious tradition of the unit which I command has been shamefully disgraced. I hereby dispose of myself, taking responsibility for the recent unfortunate occurrence.”

Upon the news of the Colonel's suicide reaching the headquarters of the unit at Nagoya, it was officially stated that his action “is an example and to be commended. It is likely that the facts will be made public as an inspiration to the army and comment made upon his fine spirit.”

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Just as Japan prides herself upon the attitude to life revealed by Colonel Goto's action, so it glories in the modernization which has transformed Tokyo from a feudal settlement into one of the great cities of the world and banished illiteracy, Oriental dirt and complacency from the Japanese scene.

It is impossible, in any part of Japan, not to feel a certain sympathy with the reiterated claim that she is the "banner-bearer" of progress in Asia. True, the Japanese takes it for granted that the Chinese have lagged behind in the processes of civilization, and, equally, that the transformation of China from Chinese to Western (or Japanese) standards must be an improvement. Tokyo visualizes the future of China as another Japan, or a Fordized imitation of the United States, under the benevolent eye of General Doihara and his successors.

Whether she is right or wrong in that view depends upon individual opinion. There is much to be said for the thesis that the present state of China, sunk in Oriental squalor, is so bad that nothing Japan could do would make it worse. But it is unfortunate that this keen desire to transform Cathay into a new and better Japan should come to a head just when the Chinese have views about reforming themselves.

A nation like Japan, in which one can rely upon every train reaching its destination to the split second, and in which a signalman, not long ago, committed suicide because he had inadvertently delayed a train containing the Emperor for two minutes, cannot be expected to exhibit patience with Chinese *laissez faire*, and the mountains of talk which precede every action in that land.

It is possible to smile at Tokyo's Ginza as a blatant imitation of New York's Broadway or London's Oxford Street. Japan's old feudal past still appears in surprising places. But when all that has been said, the Japanese have created a universally educated populace, banished dirt and disease, modernized their system of communications, created courts and police forces as good as any in the world, introduced social legislation and laws relating to the welfare of its people which, if not always as advanced as the British, are a big step in the right direction, and made life in Japan

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secure for all. Compared with these achievements, the rest of Asia, outside the Soviet territories and the Colonies of the Western Powers, remains in the Dark Ages.

This, then, is the nation which is hammering at the gates of China ; which has indeed already burst in at those portals and threatens to overrun the whole premises. Few who know the Far East will deny that Japan's impatience at Chinese procrastination and intimidation in Manchuria was justifiable, or deny her right to assume leadership in Asia.

Japan was right when she declared that the problems of that continent could not be resolved by League methods. She was wrong when she substituted for collective security the rule of the gangster. Unless that mistake is repaired, the end of the road will be a conflict which will shake the Japanese homeland to its foundations.

That nation is more vulnerable to attack than Great Britain, France—or Soviet Russia. Any interruption in her trade progress, any disturbance of her financial stability or her internal peace, would destroy all the gains of recent years. But that is not to say that such a set-back would be other than temporary. Germany has shown what a determined and ruthless Government can achieve when pursuing its aims in disregard for the rest of the world. It is in the highest degree improbable that anything less than a conflict with the British Empire or the United States would make Japan change course. Or the more probable contingency of a rupture with Soviet Russia. If the Japanese army, with its violent anti-communist bias, seeks to precipitate a crisis in Northern Asia, then despite the confident views propounded in the Japanese regimental messes and military academies, Japan will almost certainly bite the dust.

The Japanese, however, know no doubts. The order has gone forth for her sun to rise and shine yet more resplendently. And that order will be obeyed to the letter by the emissaries of a nation which is more "polity-conscious" than any other on earth. No Japanese is ever for a moment oblivious of the relations between Sovereign and subject, between Ruler and ruled, or of the gratitude and happiness which the thought of the divinity of his Emperor and the glory of his country awake in his heart. In that consciousness

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and reverence is seen the soul of Japan and the explanation of what its people mean when they speak of the "national polity" of Nippon. It is the bulwark of their nation ; the one source of strength which will surely endure even though much else may, in the perilous years ahead, falter and crumble.

Feeling as they do, the Japanese could not avoid withdrawing from all contact with the existing peace machinery without outraging their most cherished beliefs. Acting as they do, they would be well advised to seek the opportunity to re-establish contact with the outside world and resurrect the reign of justice and law in Asia before the Frankenstein monster of naked force which they have created encompasses them in defeat. If strong armaments in Japan make for peace, so do strong armaments in Soviet Russia. From that dilemma there is no escape by seeking to justify Japan's growing military power while condemning Soviet Russia for quietening her nerves with a swig from the same bottle.

If present dangers are to be averted, cool heads and swift action is imperative. It is not enough for Mr. Hirota, Prime Minister of Japan and a statesman of ripe experience in international affairs, to talk about Japan's desire for international harmony, or to protest against his country being branded as a disturber of the peace. For while present conditions in East Asia persist, the cooing voices of Japanese statesmen are drowned by the tramp of Japanese troops and the roar of Japanese bombing-planes.

CHAPTER XVII

BRITAIN'S ANSWER

WHERE stands Great Britain in relation to this brave new world which the Japanese have carved out of Eastern Asia? The answer to that question can be given in two words—at Singapore.

There, on Singapore Island, 1000 miles from the nearest point of West Australia, 2888 miles from Yokohama, and 4440 miles from the Marshall Islands (Japan's advance base in the Southern Pacific) has been created the "Gibraltar of the East"—a fortress carved out of the jungle so placed strategically that it can defend our Empire possessions in the Pacific while threatening none.

The first man to appreciate the importance of Singapore as an outpost of the Empire was Sir Stamford Raffles, the founder of the Straits Settlements. In his famous memorandum of February 6, 1819, in which he outlined arrangements for providing naval support for the colony in emergency, he also gave authority for constructing

on the hill overlooking the Settlement and commanding it and a considerable portion of the anchorage a small fort or a commodious blockhouse . . . capable of mounting eight- or ten-pounders and of containing a magazine of brick and stone, together with a barrack for the permanent residence of thirty European artillery, and for the temporary accommodation of the rest of the garrison in case of emergency. Along the coast, in the vicinity of the Settlement, one or two batteries for the protection of shipping, and at Sandy Point a redoubt, and to the east of it a strong battery for the same purpose.

These defences [wrote Sir Stamford], together with a Martello tower on Deep Water Point . . . will, in my judgment, render the Settlement capable of maintaining a good defence.¹

Even, in those days, before the coming of capital ships, aircraft-carriers, 400-mile an hour warplanes and 18-inch

¹ Quoted by R. N. Walling in the *Singapore Free Press*, October 8, 1935.

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guns, the strategic importance of Singapore was recognized. Thus in August 1848 there appeared in the *Free Press* a letter in which the writer seized upon the occasion of the visit to Singapore of Admiral Sir Francis Collier, Naval Commander-in-Chief of the China Station, to remind him of

the concentrical position we hold in the direct route between India and China, and within three days' sail of the Straits of Sunda, which may be looked upon as the prison-house of our China trade whenever a European war shall tempt an enemy's cruisers, whether legitimate or ruthless privateers, to lie in wait there, should the seas in that neighbourhood not be protected by the English Ensign.

Which, incidentally (with certain changes of phrase necessitated by the development of oil-burning commerce raiders and aircraft), aptly describes the importance of Singapore to the British Empire today.

Maybe the British Admiral agreed with the opinion expressed in that letter. At all events, following his visit things began to move, and the first steps were taken to fortify Singapore on a scale commensurate with its importance.

The transformation of that outpost into the linch-pin of Britain's defensive position in the Pacific, at a total cost of anything from fifteen to thirty million pounds sterling, began shortly after the Imperial Conference of 1921.

At that gathering of the British family of nations the Rt. Hon. William M. Hughes, Prime Minister of Australia, stated that the "War and the Panama have shifted the world's stage from the Mediterranean and the Atlantic to the Pacific", and both Mr. Hughes and the Rt. Hon. William F. Massey, Prime Minister of New Zealand, expressed the view that while the Dominions should be expected to contribute to the British Navy, on the one hand, the Home Government had a duty to protect the Dominions on the other.

At the Washington Naval Conference a year later agreement was reached for the limitation of fleets (making the provision of naval bases which would make a relatively small fleet more mobile of first importance). It was further agreed that no naval base should be created in the Pacific

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area east of the 110th degree of east longitude—a vast *status quo* area which extended almost to Singapore but not quite. Finally the Anglo-Japanese Treaty for mutual defence was abrogated, leaving Britain without an ally in that region. Following these decisions, the creation of a naval base nearer to the East than Malta became of vital importance if Britain was not to be defenceless in those waters; and in 1923 Admiralty engineers surveyed possible sites for the new naval station and finally selected a 2382 acre area—then composed of mangrove swamp and tropical undergrowth—on the banks of the Strait of Johore, just outside Singapore.

The chequered early career of the Naval Base is well known. Work was begun in 1923, suspended in April 1924, and begun again in 1925. The construction of the docks did not begin until September 1928.

Meanwhile, other preparations to turn Singapore into an Eastern Gibraltar were proceeding in England.

Four months earlier four Dutch tugs of two or three thousand horse-power each had slowly emerged from the mouth of the Tyne towing behind them the fore section of what looked like a piece cut off some giant Roman swimming-bath, excavated and newly tiled. Four other Dutch tugs of the same strength and the aft section of this concrete well followed. Thus L. Smit & Co., of Rotterdam, Holland, began the colossal task of towing the world's third largest floating-dock on its 8400-mile journey to Singapore.

That dock, convoyed half-way across the globe in three sections and now established in its position at the Base, was designed by Sir William Berry, late Director of Naval Construction at the Admiralty, and built on the Tyne. Nearly 300 yards long and 172 feet wide, it is so large that two games of football could be played independently on its floor, with room for thousands of spectators. It can lift a load of 56,000 tons in addition to its own weight of 24,000 tons, and was specially constructed to carry the heavy, concentrated weights of armour and armaments.

The main pumps are capable of ejecting 30,000 tons of water per hour from the buoyancy tanks. The electric generating plant is powerful enough to light all Singapore as well as the Base. The Dock can not only lift H.M.S. *Hood*,

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the largest warship afloat, with ease ; it can also supply all her requirements of fresh and distilled water, salt-water service for fire equipment, and circulating water for refrigerating machinery, electric light, and compressed air. It is fitted with bath and other accommodation, cooking-galleys and hot-water boilers sufficient to look after 1000 officers and men. Apart from supplies of water and oil fuel, the dock is entirely self-contained.

Her total cost must have been considerable. Apart from the cost of building, the towing bill came to £10,000, Suez Canal dues to another £10,000, and the hole dredged in the Johore Strait, opposite the Naval Base, over which she is anchored, ran away with £250,000. Moreover, its seventy acres of steelwork require constant attention to preserve it from corrosion, and the dock has frequently to be heeled over first one way and then the other in order to examine its condition below the water-line. They are worth preserving, those seventy acres of steel, for their maintenance in that far outpost of the Empire means all the difference between a British fleet being in a position to operate East of Suez, and our Pacific possessions lying defenceless in any emergency that might arise.

Not far from the dock is anchored H.M.S. *Terror*, the depot ship of the Singapore Base, which was described by someone as "a fish-wife among the slim, elegant, corseted cruisers and destroyers of the British Navy".

The construction of this great Naval Base out of malarial tropic swamp was a gigantic task. Nine million cubic yards of earth had to be displaced. One and a quarter million tons of granite and concrete were used in the actual construction. The granite was quarried four miles away, across Johore Strait, and ferried over in boats. Forty-five miles of concrete piles were made on the spot. A quay 2200 feet long was built, and alongside it the naval stores basin, the auxiliary buildings, power-house, workshops, and all the concomitants of a great naval port. It was all carried out "according to plan", and today the Singapore Naval Base lies under the tropical sun looking as clean and tidy as an English garden suburb, garlanded in equatorial trees, plants, bushes, and flowers.

Nor is that the end of the story. Two Air Bases have

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been built, the most important of which is located near to the Naval Base.

Work on the first of these began in April 1927, when the site of the landing-ground was a chaos of rubber and coconut trees. By the end of that year the whole area had been cleared except for some ninety acres of mangrove swamp. By January 1928 a slipway had been completed with sufficient concrete "apron" near by for aircraft to land. The task involved the removal of 800,000 cubic yards of earth, but it was near enough to completion for Captain Hurley, the Australian flier, to gain the honour of being the first man to land at the new aerodrome when he alighted there in the *Spirit of Australia* on November 7, 1928.

Other fortifications were rising, too. Today there are sixteen blocks of barracks at Changi, guarding the eastern entrance to the Strait, with accommodation for 1400 troops, married quarters, officers' messes, and near by big gun emplacements, an unknown number of anti-aircraft guns, mines, searchlights, and other paraphernalia of war.

Land was bought for military purposes on Mount Faber, overlooking the western entrance to the harbour, and five acres of ground was acquired at Ulu Pandan, in a position dominating not only the Jurong River but the west coast of Singapore Island. Another 700 acres of land, formerly owned by Japanese, was bought by the military on the Pengerang Estate at Johore. This estate is at the most southern point of the east coast of Malaya, opposite Changi. In all, the military authorities have acquired 2390 acres of land in or near Singapore Island, apart from the 2382 acres forming the Naval Base and the 1250 acres utilized for the two Air Bases.

What the strength of the defence forces at Singapore will be when the fortifications are complete is not known. In the bar of Raffles Hotel they speak of a "Service" population of 10,000 officers and men. Already more uniforms are to be seen in the streets. At the beginning of 1936 the army garrison consisted of two infantry battalions, two brigades of heavy artillery, and one additional heavy battery, one anti-aircraft brigade, two Fortress companies of Royal Engineers, an Indian regiment, and administrative units.

The eventual naval strength is problematical. If the

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Australians, who are known to be pressing for a battle-cruiser squadron at Singapore, get their way, it will not be less than 4000 men.

The Air Force establishment at the end of 1935 comprised eight flying-boats, twenty-four torpedo-bombers, twelve fighter-bombers, and six other aircraft, together with about 1000 officers and men. And more squadrons were expected.

Such is Britain's answer to the changed conditions in the Far East. That answer, as has been stressed on a hundred occasions, is essentially defensive. Despite Commander Ishimura and other Japanese naval strategists who have declared that Singapore is a menace to Japanese security and a challenge to her naval supremacy in the North Pacific, Japanese public opinion has, on the whole, accepted that view.

It is true [declared Mr. S. Sayegusa in the *Gaikei Jisho*] that some take an alarmistic view of Japan's phenomenal development, but it is also true that Japan and Britain have common interests in China, which is why former British Cabinets showed goodwill towards Japan on China questions. Prior to the World War, despite the existence of the Treaty of Alliance, Lord Grey treated Japan as a neutral. This precedent should now be followed by Japan. It is desirable for this nation to be more generous regarding the Singapore naval base and not to turn a deaf ear to British and French pleas as to the necessity for maintaining the invulnerability of their national defence.

What are the commitments in the East protected by the new Base?

The day is far distant when capital ships will be needed to defend any British interest in China against aggression from the Government of that country, although in the past the chaotic state of China has caused anxiety, and seriously embarrassed not only Shanghai but Hong Kong. There was, for instance, the general strike and anti-British boycott organized from Canton in 1925, when bloody conflicts took place between the strikers and those attempting to trade with the Colony. That strike continued for six months, and at the end of that time, Hong Kong, if not dying, as the Chinese Nationalists declared, was losing trade

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at the rate of a million dollars a day. A repetition of such anti-foreign agitation might necessitate action by this country, but it is improbable—the Chinese “armies of national salvation” carry anti-Japanese, not anti-British, slogans on their banners.

China needs peace and tranquillity to complete her programme of national reconstruction ; the “enemy” which threatens to deny her both is not Great Britain.

But if the Chinese Government does not endanger peace in the Far East, the present condition of China does. The dangers of a situation in which the Japanese High Command is busy redrawing the maps of Asia, and creating “Governments” on Chinese soil unrecognized and unrecognizable by Great Britain or the United States, is obvious. Over £200,000,000 of British capital is bound up in the stability of the Nanking administration. Could we afford to see Chiang Kai-shek “take the count” ?

No man can predict how far the vaulting ambitions of the Japanese militarists reach, or at what point the oncoming tide of aggression will ebb. Will it be north of the Yellow River or south of it ? Will General Doihara succeed in converting the rich province of Shantung, home of Confucius, into a Japanese cotton-growing estate or not ? Will there be room for both Shanghai and Japan in China ? Above all, will pressure from Japan result in the break-up of the Central Government, or will the newly achieved unity between Nanking and Canton, consecrated by Marshal Chiang’s visit to the latter city in August 1936, face the Japanese with the alternative of “piping down” or fighting a major war with Chiang Kai-shek’s forces ?

The Japanese are past-masters at military diplomacy. They can gauge a situation to the last inch. The possibilities of running into serious complications in that country have been measured and decisions taken. But no one knows what those decisions are. Only time will reveal whether Japan, as the new Continental Power in Asia, is content with present gains, or whether the roar of Japanese bombing-planes over the demilitarized zone is the opening overture of a Symphony of Death which may involve other Powers against their own desires.

The “trade war” ? Japan’s industrial expansion is but

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one phase, although the most striking phase, of the industrialization of the East which has been proceeding steadily for the past twenty years. The same process is, as we have seen, proceeding in China also. Today the Chinese are threatening the Japanese cotton industry with the very fate which the Japanese have meted out to Lancashire. The Chinese mills are already serious rivals to Japan in supplying piece-goods to the East Indies, especially to the large Chinese communities there. With China becoming steadily more industrialized the world is within measurable distance of cheap production *in excelsis*. Japan's industrialists may, however, be left to ponder that problem.

Taking the long view, the industrialization of Asia may well prove of benefit to the world. The resultant increase in purchasing power and the elimination of squalor in that continent will provide new markets sufficient to recompense the Western nations for the trade that has "gone east". In the future the real Eastern markets will be for such commodities as wheat, rice, foodstuffs, cotton, and raw materials for the factories, and specialized machinery rather than for manufactured products.

Just as Japan is changing the territorial map of Asia, so her industrialists are redrawing the trade maps of the whole earth. The challenge of the Japanese factories is an acid test for Britain's industries. There will inevitably be changes even more sweeping than those which are now history. But there have been changes comparatively as violent in this country in the past. All the distressed areas in Britain today are not due to the "wicked Japanese"! Once the transitional stage is over, and each nation is making its maximum contribution to the health, wealth, and happiness of mankind, the result will enrich and not impoverish the world. Meanwhile, Japan is keeping her teeming populations employed and her machinery busy; those who are infuriated by those facts should consider the alternative solution to that population problem, which would be large-scale Japanese migration overseas. To Australia, for instance.

Happily the "White Australia" policy is unlikely to disturb the relations between the British and Japanese Empires.

Since October 4, 1808, when the British man-o'-war

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Phaeton arrived at Nagasaki with Admiral the Hon. Sir Fleetwood Broughton Reynold Pellew in command, peace has been maintained between the two nations. Japan, with one eye on that Rising Sun over Asia, hopes this happy state of affairs will continue. She has no intention of coming up against the might of the British Commonwealth.

Her desire to remain on good terms with the nation which guided her in infancy does not arise solely out of sentiment. It is due, at least in part, to a deep-rooted belief that, in the long run, Britain will not oppose the "just demands" of the new and greater Japan, even if those demands involve certain sacrifices on the part of "Shanghai-landers".

Proposals for "a bargain with Britain" have occupied much attention in Japan during recent months, such as that propounded by the *Asahi* newspaper which advocated Anglo-Japanese co-operation on a basis of British recognition of Manchukuo, and of Japan's "special position" in China, in return for Japan's signature to the 1936 Naval Treaty. A former suggestion made by its London correspondent that Britain's price for such co-operation would include a pledge by Japan to respect China's territorial integrity and the "Open Door" for British interests in that country was dismissed by that newspaper as "not good enough".¹

Mr. Koki Hirota, then Minister for Foreign Affairs, referred in his speech before the Japanese Diet on January 21, 1936, to the "historic friendship" which had existed between Great Britain and Japan for many decades. This country would be well advised to consider world problems from many angles before initiating any step likely to disturb that friendship. If in recent years the Japanese have been guilty of aggression, and today directly threaten the peace of the Far East, factors of national need and national security drive them on, and the only moderating influence in sight is that which Whitehall can bring to bear at Tokyo. It is, however, difficult to visualize a settlement of all those questions now in suspense between the two Powers as long as Tokyo regards the recognition of Manchukuo and acceptance of the "inevitability" of Japanese expansion in North

¹ *The Times*, August 8, 1936.

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China and Inner Mongolia as a *sine qua non* of any understanding.

Britain's influence in the Pacific is further enhanced by the probability that, in the event of any direct threat to their common trade interests or respective territorial possessions there, the United States would make common cause with her against any aggressor.

Whether that country liquidates its position in the Philippines in the near future or not, it is impossible to visualize the United States standing aside in any conflict in that ocean in which the position of the white races was at stake. Similarly, it is common knowledge that should any situation arise in which the United States considered armed intervention unavoidable, Canada and Australasia would, irrespective of any decision taken by the Home Government, be found maintaining the "unbroken front" of white peoples in the Pacific.

This "unwritten law" committing the two Western naval Powers to make common cause in the event of an emergency has operated as a stabilizing factor and assisted in the preservation of peace throughout the Pacific during two decades in which it was extremely doubtful, to say the least, whether either the British or United States navies, unsupported by the other, could successfully have influenced events. Today, possession by Great Britain of a fully equipped naval base on the doorstep of Asia renders the contribution which the two maritime Powers, acting in concert, can make to the peace of Asia more important than ever.

The readiness of the citizens of the United States to play the part which Providence and geography ordained for them in the Eastern hemisphere reveals a grasp of political realities which is by no means common in international affairs. John O'Sullivan, an Irish-American, spoke truly when in 1845 he referred to America's "manifest destiny" in the Far East, thereby perpetrating another slogan in a nation which has always loved them.

The United States is a Pacific Power, as anyone can discover—very delightfully—by going to San Diego, the naval port in California, and there viewing the warships at anchor in the harbour and the neat rows of "administration

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offices"—flower-beds blooming under their windows—which line the water-front.

The United States is also a white Power. Together with Britain, she is the custodian of the fruits of the white man's work, energy, and enterprise in Asia. Not to mention that important quality out East—the white man's "face". Which is sufficient explanation why, despite carping critics and the conflicting views of the inevitable naval "experts" on both sides of the Atlantic, the two nations have managed to maintain a vaguely defined "Popular Front" in the East without any Hearst-fomented riots breaking out in New York or Milwaukee.

At the present time the realities of the situation in Asia are more clearly realized in the United States than in Great Britain, where people have had more to think about, and are prone to regard the Japanese as "yellow-skinned Englishmen", anyway. (Which is as good a definition as any of modern Japan if one adds that unfortunately they took Palmerston's England for their model, not Baldwin's.)

If Great Britain can count with reasonable certainty on the support of the United States in the event of any direct challenge to the white races in the Pacific, she is not as fortunate as that country in other respects. Despite the worst that the world's shipbuilders can do, the United States remains a comfortable four days away from the Rhine, whereas that beautiful river can be reached from London in about fourteen hours by train—and three by air. And it is when we come to consider Britain's position in relation to Europe and the world as a whole that the full importance of the Singapore Base becomes manifest.

A stray shot somewhere on that Manchukuoan-Russian frontier may at any time while the present alignment in international affairs lasts find Britain standing shoulder to shoulder with France and Belgium in defence of Soviet Russia. True, no treaty exists which involves us in such an obligation, but, despite the views held in the city of London concerning Bolshevism, he would be a bold man who would declare it to be impossible. And to fight for Russia, or even France, in such a contingency, would mean to fight against Japan. In that event Singapore would be in the front line, and the conclusions reached after all those naval and air

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manœuvres carried out in and above the waters surrounding the "Gibraltar of the East" would be tested by the arbitrament of modern war.

Major-General F. W. Barron, Army Council Inspector of Fixed Defences, during a recent tour of investigation in the East, surveyed the defences not only of Singapore but of Ceylon and Hong Kong, and later prepared a confidential report to the Army Council containing many recommendations in regard to both existing and future possibilities.

That Singapore defence plan, important as it is, is only part of a larger plan in which Singapore features as a pivot in the entire air-water-land defence system of British interests in the Pacific, now recognized as the "ultimate arena of world history". Today the links in the chain of Empire defence stretch from Gibraltar to Malta, Aden, Colombo, Singapore, Hong Kong, and down to the Western forts of Australia. And of all those links, Singapore is the most vital and the most impregnable.

If Japan is wise, and fate is kind, Singapore will continue to make history as the greatest peacetime port of call in the East. But is it possible to rely upon the wisdom of Generals imbued with the spirit which caused Captain Shiro Nonaka to write, on February 26, 1936, that "the present time is just the moment for Japan to bring about a greater expansion of the national power and the prestige of this country"? Japan, who heralded her rise to the status of a great Continental Power by first withdrawing from association with the family of nations and then, in the manner of the newer diplomacy, "cocking a snook" at them, has only herself to blame if other countries, watching her growing armaments, mistrust her intentions even as wholeheartedly as she herself professes to mistrust the intentions of Soviet Russia, a nation which had it required any excuse for armed intervention in Asia, could have found a hundred as lurid as any that ever started a war.

But for the intensely nationalistic views permeating the Japanese army, it would be simple to predict that no war would come. Oceans of ink have been spilled during the world-wide discussion of problems which have now come to a head in Far Asia, and in the past too many writers in all countries have been ready to envisage war in that area, and

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too few have worked for peace. Today it is as certain as it ever was that a war in the Pacific, or in Siberia, would profit nobody—unless it be Russia. And the risks for Russia in any conflict are obvious.

While it is true that peace can never be safeguarded by attempting to treat a proud and powerful nation, convinced of the justice of her cause and rendered desperate by economic ills for which she sees no remedy save expansion, as an Ishmael and a criminal, neither can problems be solved by that nation ignoring alike solemn treaties and the world-conscience, and introducing gangster methods into international relations.

The remedy lies in the calling of a new Pacific conference, at which all the Powers having interests in that area would be represented—a conference not to sit in judgment upon Japan, but to examine the many crucial problems arising out of the upsetting of the *status quo* in the Pacific, and the vital needs of the Japanese Empire which precipitated the present critical situation.

Japan has repeatedly expressed her willingness to enter any conference or league providing it embraces all the Pacific Powers, including the United States—and that she is not forced, for a second time, to see her actions in China judged by countries with no Asiatic interests and no knowledge of conditions in that Continent.

Let the conference be held. Let the Japanese army be asked to outline the true extent of its aims in China. Let Japan be invited to expound her solution for the ills of that vast Republic. And let Mr. Maxim Litvinoff take the opportunity of announcing to the world whether Japan is right or wrong in her suspicions regarding the motives which actuate communist Russia.

Whether such a conference would solve all, or any, of the major issues which today disturb the dreams of Japanese, Chinese, and Russian leaders may be problematical; but it is the only alternative to a policy of drift which may easily lead to disaster.

Province after province of China disappears into the maw of Japan. Farther north, along the Manchukuo-Mongol-Soviet frontiers, the issues of peace and war tremble in the balance with each new border affray. Russian and

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Japanese troopers keep ceaseless vigil along the Amur River and on the plains of far Mongolia, waiting for the expected explosion. British boys unborn when the last holocaust ended may be drawn into that maelstrom of hate unless some solution is found.

The late Field-Marshal Earl Roberts, V.C., made but two prophesies in his life. The first was that war with Germany was inevitable sooner or later. The second was that the "history of the world will some day be fought out at Singapore".

1914 proved the accuracy of the first. Must the second prediction be fulfilled before the people of Great Britain awake to the dangers arising out of the "New Deal" in Asia—across the maps of which is scrawled "Made in Japan"?

THE END

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MESSRS JARROLD'S

*List of General Literature and Fiction
for AUTUMN 1936*

General Literature

ETHEL MANNIN

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